

REPLY
OF THE
HON. D. L. MACPHERSON,
SENATOR OF CANADA,
TO
MINISTERIAL ATTACKS
UPON HIS
SPEECHES AND REFLECTIONS
ON THE
Public Expenditure of the Dominion,

PUBLISHED IN JUNE LAST.

Addressed to his former Constituents, the Electors of North
Simcoe, Grey and Bruce.

Without much political sagacity, or any extraordinary depth of
"observation, we need only mark how the principal Depart-
"ments of State are bestowed and look no further for the true
"cause of every mischief that befalls us."—Junius.

M17R

TORONTO:

WILLIAMS, SLEETH & MACMILLAN, PRINTERS, 124 BAY ST.

1877.

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TO THE ELECTORS

OF THE

Counties of North Simcoe, Grey and Bruce,

CONSTITUTING FORMERLY

THE ELECTORAL DIVISION OF SAUGEEN.

GENTLEMEN,

In June last I addressed to you a pamphlet containing a report of speeches delivered by me in the Senate during the last Session of Parliament, which were intended to direct public attention to the alarmingly rapid increase of the public expenditure, and especially of that portion of it which is more immediately within the control of the Government and of individual Ministers. When introducing those speeches I submitted some reflections upon the administrative incapacity exhibited by the Government as a whole, as well as upon the political inconsistency and recreancy of its leading members.

The pamphlet has been the subject of much hostile criticism, and I have been misrepresented and calumniated by Ministers at their political pic-nics and by the Ministerial press. I addressed the pamphlet to you, my old constituents and friends, and I now venture to address to you what I have to say in the way of a general reply to the attacks which have been made upon it and upon me. I accept the abuse and slander that have been heaped upon me by members of the Government as conclusive proof that my efforts to expose their deficiencies have not been in vain. Ministers would not have raged so furiously and disgracefully over the pamphlet, unless they had discovered that it was opening the eyes of the people to Ministerial insincerity, incapacity and iniquity.

Had my statements of the enormously increased expenditure been impugned only by the minor Ministerial press and by Government partisans of inferior authority, I should have allowed them to stand without defence. But when such authorities as the Prime Minister and the Minister of Finance—enjoying the best means of obtaining accurate

information from the Public Departments—have asserted that my statements were unqualifiedly false, and when those assertions have been disseminated far and wide on the wings of the press, they cannot but have implanted in the minds of many honest men serious doubts of the correctness of my representations. Under these circumstances, I feel it due to myself, for the purpose of removing such doubts, to re-affirm all my allegations, and to submit in their support further and irrefragable proof of their accuracy.

Although it ought to be incredible that Ministers of the Crown in Canada could stoop to make gross mis-statements to serve the purpose of the hour, yet it is unfortunately susceptible of proof that they did so at their pic-nics.

I observed but one allusion to my pamphlet at the early Summer pic-nics. It was made by Mr. Mackenzie, in what, I think, he intended for a spirit of pleasantry. He seemed to think that my allegations could be disposed of without serious examination or argument.

But as the summer advanced, Mr. Mackenzie discovered that the facts presented in the pamphlet had sunk deep into the minds of the people, and that he was expected to disprove my charges, or suffer in the estimation of his friends and of the public generally. Thus pressed Mr. Mackenzie attempted to deal with the contents of the pamphlet in a speech delivered at Orangeville on the 18th September, reported in the *Globe* of the 1st October—and also in one delivered at Galt on the 20th September, and reported in the *Globe* of the 9th October. It cannot be said that sufficient time was not taken in each case, between the delivery and publication of the speech, for careful revision. At Galt Mr. Mackenzie made use of the following words:—
“Senator Macpherson a short time ago published a pamphlet which somebody wrote,* and he has sent it broadcast through the country

* On seeing this remark, I addressed the following letter to the press :

“SIR,—The Cabinet Ministers who noticed my pamphlet at their pic-nics, and their friends and organs throughout the country who essayed to weaken its force, became conscious early in the pic-nic season that, notwithstanding their recourse to the most barefaced misrepresentations, they had utterly failed to disprove any of my statements.

“Unable to answer the pamphlet they turned upon me, its author, and emptied upon my head their copious vocabulary of disparagement, detraction and coarse abuse. Still they were not satisfied. They knew, and what was more distressing to them, they felt that the people knew, that they had not by their individual and combined attacks shaken, much less refuted, any one of the charges of political recreancy and perfidy, of administrative blundering and incapacity, and of departmental extravagance and corruption, made by me against the leading members of the Government.

“When the Ministerialists discovered that they could not answer or evade the damaging truths contained in the pamphlet—which to their intense vexation they saw in the hands of so many who attended their pic-nics,—they seem to have bethought themselves of endeavouring to lessen its authority with the public by alleging that I was not its author, and that I had been guilty of the contemptible conduct of taking credit to myself for the work of another.

“The Prime Minister, Mr. Mackenzie, to his shame be it said, lowered himself so as to give public utterance to this petty calumny. In a speech delivered by him at Galt on the 20th September, and published in to-day’s *Globe*, he is reported to have said, ‘Senator

“with a falsehood on every one of its pages. There is absolutely not a correct page in the whole pamphlet; and when he attempts to institute a comparison between the expenditures of the present and the late Government, he leaves out, as you will have observed, the last year of the late Government, which happened to be an expensive one, and takes the previous year, 1872-3, so that he might concoct a charge of extravagance against us.”

At Orangeville Mr. Mackenzie said:—“I desire now to say a few words about a very remarkable pamphlet by a very remarkable man—the Hon. Mr. Macpherson. He is a very great man, is Mr. Macpherson, and I can only refer to him with the greatest possible deference, I might say, almost with reverence. This gentleman speaks as an oracle from a lofty pedestal erected by himself for the admiring gaze of humanity, but his representations are so unfair that I almost hesitate to tackle them.”

When Mr. Mackenzie so far forgets what is due to himself and his office as to misrepresent me after this fashion, he cannot expect much consideration from me for his own sake; but when referring to him I shall endeavor not to forget what is due to the office of Prime Minister of Canada, even when that office is unworthily filled.

The above extracts from Mr. Mackenzie's speeches conflict with each other. If, as Mr. Mackenzie recklessly said, “there is a falsehood on every page” of my pamphlet he should have been able to “tackle” and in a few sentences

“‘Macpherson a short time ago published a pamphlet which somebody wrote,’ and again, ‘The person who wrote Mr. Macpherson's pamphlet.’ The Ministerial press has done its utmost to circulate this absurd falsehood, and which I here declare to be an unqualified falsehood. Personally I am altogether indifferent to this and the other slanders which have been showered upon me, and I only notice and contradict this one to prevent its being made to serve in ever so small a degree the purpose of its originators and propagators, which is the diversion of the public mind from the consideration of the facts submitted by me in the pamphlet. If the influence of the pamphlet with the public is enhanced in the smallest degree by the supposition that I had some knowledge of the subjects upon which I wrote, I shall not permit that influence to be diminished by allowing even so contemptible a mis-statement as that made by Mr. Mackenzie to remain uncontradicted. Mr. Mackenzie will surely feel it due to himself either to state good grounds for his charge against me or retract it.

“If he does not do either one or the other—and I know that he cannot do the former—he will stand convicted of having cast a mean and pitiful imputation, an act especially discreditable to one occupying his present high position.

“I shall reserve to a future occasion my comments upon Mr. Mackenzie's extraordinary utterances touching the contents of my pamphlet.

“Yours, &c.,

“D. L. MACPHERSON.

“Toronto, 9th October, 1877.

“NOTE.—I observe that Mr Cartwright, following his leader in rudeness, also pretends to be troubled about the authorship of my pamphlet; but it is its contents which really do trouble him. My speeches, which fill two-thirds of the pamphlet, have been before him since last Session and my ‘reflections’ since June, but he has not yet succeeded in answering one of them. If Ministers compel me to write a few more pamphlets they will become familiar with my style.”

to refute them. If he had been able to point out an error, I would have acknowledged it, and apologized for its appearance. I should, indeed, regret if an error of any importance had gone to the public over my name. I was very careful while preparing the pamphlet to secure its accuracy; the presentation of the truth being my only object. There are so many figures in my tabulated statements, that it would not have been surprising if some clerical or typographical mistakes had escaped observation. My tables showing the increase of expenditure by Mr. Mackenzie's Government rest entirely upon the authority of the Public Accounts.

The Finance and Audit Departments are at Mr. Mackenzie's service: why does he not call upon those departments for proof of the errors which he says exist, but which he has failed to point out? It was a task of some labor to dissect the Public Accounts and to formulate the results as I have done, but it would have been no very serious one to test those results. If the contents of the pamphlet could have been disproved it is quite certain that it would have been promptly done; but their truth cannot be shaken, as Mr. Mackenzie well knows, therefore he did not "tackle" them except with weapons which, to his dishonor be it said, come too readily to his hand,—evasion and misrepresentation. Twenty-seven of its pages are taken up with my reflections upon the conduct of the leading members of the Government and upon the general mal-administration of public affairs. In those, as well as in the fifty pages which contain my speeches, I have preferred charges against the Government, and Mr. Mackenzie and his colleagues cannot complain that they are not distinctly presented. I shall, for the convenience of my readers, re-state them succinctly, and as I proceed I shall call upon Mr. Mackenzie to say which of them he designates as "falsehoods."

I accused the Government of political tergiversation and recreancy unparalleled in Canada. Is that a falsehood? I refer you in proof of its truth to the speeches of Messrs. Mackenzie and Blake, delivered during many years of Opposition in and out of Parliament, denouncing coalitions and full of professions and promises of purity, economy and retrenchment; and from these I point to the coalition with Mr. Cauchon and others to whom they had been politically opposed. I point also to the evidence of their extravagance and waste exhibited in the tables of expenditure, extracted from the Public Accounts, submitted in my former pamphlet and which for convenience of reference I shall reproduce in this.

I charged them with having been active participators in the most brazen and corrupt scandals recorded in the annals of this country—the violations of the Independence of Parliament Act disclosed last Session. Is that a falsehood? No; it is proved by the records of the House of Commons. It is known to the whole people that the Ministry paid upwards of Twenty Thousand Dollars to the Speaker of the House of Commons in violation of the plain letter of the law. It is the most demoralizing scandal that has been brought to light in our public affairs, and when it is spoken of the honest friends of

Mr. Mackenzie and Mr. Blake hang their heads. Little has been said of it by Ministers in their pic-nic orations. It is too nefarious for even the boldest of them to defend before the people of Canada.

I pointed out that during a trying epoch, when the condition of the country required especially that the public affairs should be administered with ability and prescience, the Government appeared to be absolutely without a policy. Is that a falsehood? Let Mr. Mackenzie prove that it is by naming the measures of amelioration which were enacted under his Government.

I stated that the present Administration since its accession to power, and while omnipotent in Parliament, had held four Sessions at the enormous cost of Two Millions and a Half of Dollars without result in useful legislation commensurate with the outlay. Is that a falsehood? Mr. Blake has not shaken its truth by reading to his constituents a list of Acts and amendments of Acts which had been passed, nor has Mr. Mackenzie done so by stating the number of pages which these Acts fill in the Statute Book.

Such Ministerial counting and paging recall the anecdote of the old Dutch judge who, when perplexed, weighed the papers fyled by each suitor and gave judgment in favor of the heaviest.

I stated that not only had the Government failed in the higher walks of statesmanship, but that they had failed as simple administrators of the ordinary business of the Dominion. Is that a falsehood? Its truth is patent to the whole country. The vacillation and blundering in Mr. Mackenzie's own department prove it. The departmental business of the country is neglected and often suspended in consequence of the absence of Ministers from their posts at Ottawa, some of them for the purpose of itinerating the country not to enlighten the people but to slander their opponents.

I accused the Government of causing a fearful waste of the people's money by administrative incapacity and financial recklessness. And I complained that instead of conducting affairs with the prudence which they had promised, they seemed to have regarded the public Treasury and its feeders—the Taxpayers—as a mine of inexhaustible wealth and that they had indulged in unwise and prodigal expenditure which had involved the country in serious embarrassment. Are those falsehoods? Unfortunately their truth is too manifest. I might truly say, the proof is everywhere. Wasteful expenditure—and I fear worse than wasteful expenditure—pervades the whole public service. Public Works were commenced by the Government, professedly to be paid for out of income, at a time when they should have known that instead of having a surplus wherewith to pay for new works they would, owing to the miscalculation of the Minister of Finance, have deficits to contend with. Many of the new works were, I fear, undertaken to serve party and personal objects. The parallel to Ministerial recklessness is to be found in the case of the young spendthrift who, succeeding to the accumulated wealth of prudent forefathers which he in his inexperience believes to be inexhaustible, rushes into wasteful extravagance, and to his great surprise soon finds himself a bankrupt.

I complained that, instead of the retrenchment and economy which Ministers had so often and loudly promised, they had actually run riot with the public resources and largely increased the expenditure which is within their control. I showed that the increased annual controllable expenditure in 1876 over 1875 was Seven Hundred and Seventeen Thousand and Sixty-two Dollars, (\$717,062) for which unquestionably the present Government is solely responsible. I showed also that of the increased annual controllable expenditure of 1876 over 1873, the present Government is chargeable with at least One Million Eight Hundred Thousand Dollars (\$1,800,000), a sum which, in its burden upon the people, is equivalent to the interest at five per cent. upon a loan of Thirty-six Millions of Dollars (\$36,000,000). Are those falsehoods? The Public Accounts and Budget speeches are the authorities for my statements. Can Mr. Mackenzie show that the country is receiving value for this increased expenditure? He has not yet attempted to do so.

I showed that, on the 21st February last, Mr. Mackenzie stated in the House of Commons that it was the policy of the Government to utilize for years the "water stretches" between Lac des Mille Lacs and Keewatin (Rat Portage) as part of the through communication between Lake Superior and Manitoba. I stated that long before Mr. Mackenzie made that statement his Government had approved of a location of the Pacific Railway which rendered the "utilization of the water stretches" impossible; and I pointed out that in consequence of that location, the two ends of the Railway now being constructed, and together measuring about two hundred and twenty-eight miles, would be useless and unused until they were connected by the construction of the central division of about one hundred and ninety miles. Are those falsehoods? The proof of my allegations is to be found in the House of Commons *Hansard*, and in official documents on file in Mr. Mackenzie's own office. Mr. Mackenzie owes it to the country to explain his speech of 21st February last, and to state how he is to accomplish what he there promised—namely, to take "steamers" from Rainy Lake, up an ascent of four hundred feet, to Lac des Mille Lacs (Port Savanne), in order to utilize for many years one hundred and seventy-seven miles or more of the "water stretches," as part of the through communication to Manitoba and the North-West, and thus render unnecessary during that time the construction of the Central division of the Railway. The position of Mr. Mackenzie's Government on this question is a very unfortunate and damaging one. His own position is absolutely ludicrous.

Since I addressed you in June, I have visited the country between Lake Superior and Manitoba. I have stood upon what I was told is the Fort William Town Plot upon the bank of the Kaministiquia; I canoed over Lac des Mille Lacs, and visited what is dignified by the name of Port Savanne; I travelled by the Dawson route from Lac des Mille Lacs to Rainy Lake, descending Four Hundred Feet (the difference in level between those two lakes) by nine portages, which Mr. Mackenzie described on the 21st of

February last as "trifling obstacles" to be easily overcome; I saw the notorious Fort Francis Lock; I went down Rainy River and the Lake of the Woods; I crossed Rat Portage and visited some of the granite hills and the lakelets on Section 15 of the Canadian Pacific Railway. I shall only say here that my journey enables me to confirm from personal observation all that I said—every word—in my pamphlet respecting the country and the public works between Lake Superior and the Red River.

I blamed the Government for vacillation and general blundering in connection with the Pacific Railway; for the folly of continuing to build the Fort Francis Lock, when it was no longer on the line of through communication; for the Kaministiquia purchase, and the suspicious circumstances that surround it; for entering into the contract for constructing the Georgian Bay Branch Railway; for the disastrous purchase of Steel Rails; for the Truro and Pictou Railway transaction, including the re-laying of that railway with Steel Rails without the knowledge of Parliament. I ask Mr. Mackenzie, Are those falsehoods? In proof of their truth, I will remind him of the cost of his vacillation in connection with the Lake Superior end of the Canadian Pacific Railway. The line was originally located *via* Lake Shebandowan, and a section was placed under contract. That contract was cancelled, and the line carried northward, away from the "water stretches," to the present location. I will also recall to his recollection his vacillation in respect to the Pembina Branch of the Canadian Pacific Railway, from the boundary line to Winnipeg. Soon after the present Government came into power they placed that line under contract, they had Steel Rails transported for it at a freight of Fifteen Dollars per ton from Duluth, but when the line was ready to receive the rails the work was suspended, and so it has remained for about two years, to the grievous inconvenience and loss of the people of Manitoba. There can be no doubt that if this short Branch had been finished the American line would have been completed also, and ere now the railway system of the continent would have extended to the Capital of Manitoba.

Let Mr. Mackenzie recall his vacillation in regard to the Fort Francis Lock. It was commenced before the Canadian Pacific Railway was located; the work upon it was stopped when the Railway was located one hundred miles north of it; again, the lock was recommenced; and finally its depth was reduced, and the work is being proceeded with at great cost, after its utter uselessness has been ascertained.

Can Mr. Mackenzie conscientiously say that the price paid for the Terminus grounds on the uninhabited town plot of Fort William on the Kaministiquia, was compatible with honest and careful administration?

Let Mr. Mackenzie also say what could have been more blameworthy in the Government than contracting for building the Georgian Bay Branch Railway in a country not even explored; on a line which had to be abandoned after a large sum had been wasted upon it. It is generally

believed that this line was placed under contract in other than the public interests.

Mr. Mackenzie must admit that the Steel Rail purchase was a colossal blunder, involving heavy loss to the country, and that it was as unnecessary as it is indefensible. I have submitted a *pro forma* Profit and Loss account of the transaction.

What excuse can be offered for laying Two Hundred and Thirty-five Thousand Dollars (\$235,000) worth of Steel Rails upon the Truro and Pictou Railway without the knowledge of Parliament, after it was determined to make a gift of the Railway to a private Company? It was giving away the public property. This would have been culpable in any Government, but was doubly so in that of Messrs. Mackenzie and Blake, gentlemen who had always professed the true constitutional doctrine that no expenditure should be made by the Government without the authority of Parliament having been first obtained. This is another instance of the manner in which they disregard their solemn pledges.

I think I have now made it apparent to all my readers that when Mr. Mackenzie said there was "a falsehood on every page" of my pamphlet he stated that which he knew was altogether devoid of truth, and I submit that I have proved the truth of all my allegations touching the administrative vacillation, incapacity and fatuity of the Government.

In my speech in the Senate last Session on the increased expenditure (*vide* pamphlet, pages 27 and 28) I showed from Mr. Mackenzie's own words that he had overstated the amount of the increase of expenditure under the auspices of the former Government, by the large sum of One Million One Hundred and Seventy Thousand Dollars (\$1,170,000), and had alleged erroneously that his own Government had in three years diminished the expenditure by the sum of One Million Five Hundred Thousand Dollars (\$1,500,000), thus erring in his statement to the extent of Two Millions Six Hundred and Seventy Thousand Dollars (\$2,670,000). I think Mr. Mackenzie's honor requires him to "tackle" these mis-statements of his own and explain or retract them.

It pains me to say it, but mis-statements constituted the chief oratorical capital of Ministers at their pic-nics. Messrs. Mackenzie and Cartwright, especially, seemed to get over their political meetings by leaping audaciously from mis-statement to mis-statement with the recklessness and desperation of a man crossing a river on slippery and unsteady stepping-stones, indifferent to a ducking, and caring only to get across with his life.

In his Orangeville speech Mr. Mackenzie is reported to have said :—"It is not true that this gentleman (Mr. Macpherson) ever supported us, or acted in any way to remove the late Government. He was willing to be revenged for not getting the Pacific Railway contract from them, but not at the expense of aiding us. We never had a more uncompromising opponent than Mr. Macpherson ; there was no one more anxious to prevent the late Government from falling to pieces than Mr. Macpherson, when the struggle of November, 1873,

“ was in progress, and no one viewed our coming into power with more aversion than he.”

Mr. Mackenzie and I are again at issue upon a matter of fact. I re-assert what I said in my pamphlet, namely, “I welcomed the change of government in 1873,” and again, “they (the new Government) had my independent support until I became satisfied that they were violating the pledges of purity, reform and economy which, when in Opposition, they had given to the people.” This, the records of the Senate will show.

My confidence was first seriously shaken in the Government when it induced Parliament to pass Acts authorizing the Boards of Harbor Commissioners of Montreal and Quebec to pay out of Trust Funds in their charge handsome salaries to their respective Chairmen. From the establishment of those Harbor Boards—that of Montreal more than forty years ago—down to the advent of the Administration which promised retrenchment, well qualified gentlemen were found willing to discharge the duties of Chairmen without salaries. Attaching salaries to offices previously honorary was bad, but to authorize their payment out of funds managed by Commissioners, thus making the salaries statutory, and withdrawing them from the annual review and vote of Parliament, was worse, and it was an extraordinary violation of constitutional principles to have been committed by the *soi-disant* Reform Administration. The very manner in which the Government authorized the payment of those salaries showed that they knew they were doing wrong. It was such legislation, and the challenging of my financial statements by Ministers and their supporters, that caused me to examine more closely than I had done, into the details of the public expenditure. I repeat that the discoveries I then made astonished and appalled me. I perceived that I, and others who had put faith in the leading members of the Government, especially in Messrs. Mackenzie and Blake—and had welcomed the change of Government in 1873—had been deceived and cheated; that the present Government, in its entire ramifications, was a political fraud; that through mismanagement, extravagance and nepotism, unredeemed by a scintilla of what is elevating and ennobling, it was impoverishing and demoralizing the country at home, and discrediting it abroad. I found proof of this in the course of my investigations. I laid that proof before the Senate in the Sessions of 1876 and 1877, and in June last I placed it before the public in pamphlet form. I did this reluctantly and only from an imperative sense of my duty as a member of Parliament; and it is because I have been to some extent instrumental in unearthing and exposing to public view the malfeasance of the Government, and the truculent insincerity of its leading members, that I have been abused and vilified, without stint, by Messrs. Mackenzie and Cartwright—placemen, whose rage has been excited by my having flashed upon their political mis-doings a few rays of truth.

Mr. Mackenzie at Orangeville is also reported to have said :—“ He (Mr.

"Macpherson) says at the outset that he viewed our coming into power with "a great deal of complacency, and even with satisfaction; that 'he welcomed "the change.' He trusted all Mr. Blake's professions. He 'entertained "great respect for Mr. Mackenzie.' 'They (Blake and Mackenzie) had his "independent support.' Now, however, he is greatly grieved. He thought "that Mr. Blake was a very good man. But now he finds him to be a very "bad man. In fact, no one is great or good except Mr. Macpherson, and "after him the deluge."

In speaking thus Mr. Mackenzie showed that he thought himself entitled to mock and deride those who like me had believed in the sincerity of his own and Mr. Blake's political professions. I expected from those gentlemen a reasonable fulfilment of their public pledges. Supported by the people as they were, they might have conducted their Administration on pure and lofty principles such as would have made it a shining example of patriotism, purity and efficiency. But between their promise and their performance what a gulf they have opened! They promised to purify and exalt public life; they have demoralized and debased it. They promised efficiency and economy in the conduct of public affairs; their Administration has been extravagant, wasteful and incapable. They promised to be the Guardians of the rights and interests of the people; they have been the Patrons of self-seekers and jobbers. And as for the leading members of the Government, very soon after they succeeded to office, they stepped down from the elevated platform on which they had pretended to take their stand, and have continued to descend until—I regret to say it—the talent which they are now most noted for exercising is that of the slanderer and the reviler.

I will submit again—in condensed form—my financial tables, and I call upon Mr. Mackenzie to say which of them are "falsehoods."

The following one taken from page 37 of my pamphlet, shows that under our professedly economical and retrenching Government the controllable departmental expenditure, under the heads given in the table, and for which the present Ministers are alone responsible, had been increased in 1876 over 1875 by no less a sum than Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062). Why do not Messrs. Mackenzie and Cartwright explain and defend this enormous increase in the controllable expenditure of 1876 over that of 1875?

When placing this table before the Senate, I said:—"I will now submit a statement of the details of increases of expenditure charged to consolidated revenue fund and largely within the control of the Government of the day, for 1875 and 1876 over 1873, and of 1876 over 1875. In this comparative statement I exclude all items connected with the public debt—interest, management of the debt and sinking fund. I also exclude items that might not be considered fairly within the control of the Administration, such as Militia; and throughout these statements I will compare the last complete year of Sir John Macdonald's Administration, 1873, with Mr. Mackenzie's complete years of 1875 and 1876.

"INCREASES IN EXPENDITURE CHARGED TO CONSOLIDATED REVENUE FUND FOR 1875 AND 1876 OVER 1873, AND FOR 1876 OVER 1875, UNDER THE FOLLOWING HEADS, BEING ITEMS LARGELY WITHIN THE CONTROL OF THE GOVERNMENT. (*Public Debt charges not included.*)

| DEPARTMENTS. | Increase 1875 over 1873. | Increase 1876 over 1875. | Increase 1876 over 1873. |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Civil Government..... | \$148,391 | ..... | \$ 91,121 |
| Administration of Justice..... | 98,439 | \$ 46,686 | 145,025 |
| Police and Penitentiaries..... | 71,682 | ..... | 4,968 |
| Legislation..... | ..... | 54,957 | 12,743 |
| Geological Survey..... | 29,199 | 3,226 | 32,425 |
| Arts, Agriculture, etc..... | ..... | 47,416 | 9,488 |
| Immigration and Quarantine..... | 15,402 | 83,075 | 98,477 |
| Marine Hospitals..... | 10,871 | 1,950 | 12,821 |
| Pensions and Superannuations..... | 38,721 | 70,874 | 109,598 |
| Ocean and River Steam Service..... | ..... | 93,057 | 90,339 |
| Fisheries and Light-houses..... | 9,881 | 97,191 | 75,778 |
| Inspection Insurance Co's., etc..... | ..... | 8,914 | 8,032 |
| Subsidies to Provinces..... | 829,362 | ..... | 768,956 |
| Public Works..... | 159,462 | 191,866 | 351,328 |
| Miscellaneous..... | 18,229 | 91,537 | 109,866 |
| Indian Grants and Manitoba Surveys.. | 131,513 | 108,639 | 212,549 |
| Mounted Police..... | 333,583 | 35,935 | 369,518 |
| Boundary Surveys..... | 121,741 | 12,364 | 134,105 |
| Customs and Excise..... | 142,457 | 57,441 | 199,898 |
| Weights and Measures..... | 69,969 | 29,816 | 99,785 |
| Public Works, Including Railways.... | 633,388 | ..... | 548,312 |
| Post Office..... | 452,995 | 101,966 | 554,961 |
| Minor Revenues..... | ..... | 3,111 | 2,778 |

Increase of 1875 over 1873.....\$2,960,336

Increase of 1876 over 1875.....717,062

Increase of 1876 over 1873.....3,677,398"

I desire to correct a mis-statement which has been persistently reiterated by Ministers and by the Ministerial press, namely, that I had held the present Government responsible for the whole amount of the increased annual controllable expenditure between 1873 and 1876 (meaning the three financial years ending on 30th June, 1874, 1875 and 1876) namely, Three Millions Six Hundred and Seventy-seven Thousand Three Hundred and Ninety-eight Dollars (\$3,677 398), If I had held the present Government responsible for the whole of that increase, I should have done them injustice. I, however, have not been unjust to the Government, but my Ministerial assailants have been very unjust to me. I desired to be not only just but liberal to the present Government in estimating its share of the expenditure, and I believe I was so.

The year ending on 30th June, 1873, was the last complete financial year of Sir John Macdonald's Government. The late and present Governments were each responsible for the administration of affairs during a portion

of the financial year ending 30th June, 1874, (four and eight months respectively), but the Public Accounts do not show the expenditure of each Government separately, and it was impossible to divide every item so as to assign to each Government the exact share thereof for which it was responsible. I therefore made the division *en bloc* as shown on page 38 of my pamphlet. I reproduce the estimate, and I italicize certain words in it :

"This statement shows that the expenditure of 1876 exceeded that of 1873 by the large sum of Three Millions Six Hundred and Seventy-Seven Thousand Three Hundred and Ninety-eight Dollars (\$3,677,398); that the expenditure of 1875 exceeded that of 1873 by the sum of Two Millions Nine Hundred and Sixty Thousand Three Hundred and Thirty-six Dollars (\$2,960,336), while that of 1876 exceeded that of 1875 by the sum of Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062). These net increases are enormous—I say net increases, because all the decreases have been deducted. *But I am not going to hold the present Government responsible for the full amount of the increase of 1876 over 1873—Three Millions Six Hundred and Seventy-Seven Thousand Three Hundred and Ninety-eight Dollars (\$3,677,398)—for, as I have already shown, statutory increases of expenditure were made in 1873, and provided for by Mr. Tilley. Mr. Cartwright stated this amount to be about One Million Five Hundred Thousand Dollars. (\$1,500,000.) The increases fairly chargeable against the present Government are as follows :—*

| | |
|---|-----------------|
| "Net increase of annual expenditure (largely within the control of the Administration) in 1876 over 1873. | \$3,677,398 |
| <i>Less expenditure authorized by statute in session of 1873, viz :</i> | |
| Increased subsidies to Provinces; increased allowance to the Civil Service; item on account of expense connected with the admission of Prince Edward Island into the Confederation (\$100,000), and other statutory increases : stated by the present Minister of Finance, in his budget speech of 1874, at about \$1,500,000 | \$1,500,000 |
| <i>I will allow for unforeseen and necessary increases from 1873 to 1876, inclusive, say</i> | 377,398 |
| | <hr/> 1,877,398 |
| Making the increased expenditure upon items largely within the control of the present Administration, in 1876 over 1873 | 1,800,000 |
| This sum capitalized at 5 per cent. would give Thirty-six Millions of Dollars. | |
| <i>Increase in 1876 over 1875</i> | 717,062 |
| This sum capitalized at 5 per cent. would give Fourteen Millions, Three Hundred and Forty-one Thousand, Two Hundred and Forty Dollars.* | |

* Thus the increase by the present Administration in the controllable expenditure between 1876 and 1873 (One Million Eight Hundred Thousand Dollars) is equal to interest at 5 per cent. on Thirty-six Million Dollars; and the annual burden on the people would be no greater if, instead of increasing the expenditure unnecessarily, the Government had borrowed Thirty-six Millions of Dollars. Now, a small portion of this sum, if it had been

"I am particular in emphasizing the increase of 1876 over 1875, because there can be no question as to which Government is responsible for it. The present Government have a much larger responsibility than they wish to admit for the increased expenditure of the financial year ending 30th June, 1874."

It will thus be seen that I only held the present Government responsible for an increase of the controllable expenditure of One Million Eight Hundred Thousand Dollars (\$1,800,000), for the three years, being an average annual increase of Six Hundred Thousand Dollars (\$600,000); and in support of the fairness of this statement, I point to the fact that the actual ascertained increase of the controllable expenditure in 1876 over 1875, for which Mr. Mackenzie's Government was solely responsible, was Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062). Now, in view of these facts, what is to be thought of Mr. Mackenzie, who stood before the intelligent and truth-loving people of Ontario at Galt, and said:—"Senator Macpherson—good holy man that he is—garbles and manipulates the Public Accounts, and then holds up his hands in pious horror at a state of things "that exists not even in his own imagination."

How could the *Globe* charge me with holding the present Government responsible for the whole increase of expenditure since 1st July, 1873, which it called in round figures "about Four Millions of Dollars," when my statement was on record showing that I only held them responsible for One Million Eight Hundred Thousand Dollars (\$1,800,000) thereof?

In Parliament, the Prime Minister and Minister of Finance often said that the Government was proceeding only with works, chargeable to income, which had been commenced or contracted for by their predecessors. The Public Accounts show that their assertions were inaccurate. The expenditure upon public works of this class (payable out of income) was as follows:

| | |
|--|-------------|
| Total expenditure on Public Works paid out of Consolidated Fund in 1873..... | \$1,597,613 |
|--|-------------|

| | |
|--|-------------|
| Total expenditure on Public Works paid out of Consolidated Fund in 1875..... | \$1,757,075 |
|--|-------------|

| | |
|--|-------------|
| Total expenditure on Public Works paid out of Consolidated Fund in 1876..... | \$1,948,941 |
|--|-------------|

borrowed and judiciously expended, would have done much to promote the prosperity of the country. The very increase of the controllable expenditure of 1876 over 1875—Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062)—is the interest at 5 per cent. on Fourteen Millions Three Hundred and Forty-one Thousand Two Hundred and Forty Dollars (\$14,341,240.)

“Increased expenditure on Piers, Harbours and Breakwaters in 1876 over 1875..... **\$130,248**

Increased expenditure on Piers, Harbours and Breakwaters in 1876 over 1873 (excluding P. E. Island)..... **\$181,543”**

“ Expenditure charged to Consolidated Revenue Fund in 1875 and 1876, for works not commenced in 1874, viz., on Piers, Harbors, River Works, Custom Houses, Penitentiaries, Marine Hospitals, &c..... **\$621,669”**

“Expenditure—charged to Consolidated Revenue Fund—for Harbors, Piers, Breakwaters, Canal Works, River Improvements, Slides and Booms, Hospitals, Buildings, etc., in 1874, 1875 and 1876, which were not commenced in 1873 :—

Total amount expended in 1874 upon works not commenced in 1873..... **\$327,552**

Total amount expended in 1875 upon works not commenced in 1873..... **\$203,546**

Total amount expended in 1876 upon works not commenced in 1873..... **\$556,596**

The present Government is of course alone responsible for the expenditure upon works commenced in 1875 and 1876, as well as for that upon some of the works commenced in 1874.”

“Public Works, Charges on Revenue, being chiefly for maintenance of the works, for the same years, namely, Canals and improvements of Rivers, Railways, etc.

“In the case of the canals I have separated the salaries of the staff from the charge for labor for maintaining the works. It will be seen that the increase of expenditure in this direction has been large :—

| ITEMS. | 1873. | 1875. | 1876. |
|---|--------------------|--------------------|--------------------|
| Total Salaries..... | \$ 208,230 | \$ 239,859 | \$ 250,952 |
| Total Labor..... | 224,073 | 278,059 | 257,142 |
| | 432,303 | 517,919 | 508,094 |
| Railways and Telegraphs..... | 1,063,882 | 1,621,654 | 1,536,403 |
| Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1873 | \$1,496,185 | | |
| Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1875 | | \$2,139,573 | |
| Total Expenditures on Canals, Rivers, Railways, &c., charges on Revenue in 1876 | | | \$2,044,497 |

The next table shows the expenditure on account of Civil Government :

“ Total Expenditure on account of Civil

Government in 1873.....\$750,874

Total Expenditure on account of Civil Govern-

ment in 1875.....\$909,265

Total Expenditure on account of Civil Govern-

ment in 1876.....\$841,995”

The following table shows the

“DEPARTMENTAL CONTINGENCIES AT OTTAWA, WITH AMOUNT PAID TO
EXTRA CLERKS, (WHICH ITEMS FORM PART OF TOTAL CONTINGENCIES.)

| DEPARTMENT. | 1873. | | 1875. | | 1876. | |
|--|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| | Total Contingencies. | Extra Clerks. | Total Contingencies. | Extra Clerks. | Total Contingencies. | Extra Clerks. |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Secretary's Office.... | 8,140 | 991 | 11,075 | 1,856 | 15,822 | 2,673 |
| Privy Council..... | 5,033 | ..... | 5,496 | ..... | 4,554 | ..... |
| Justice | 9,470 | ..... | 10,852 | 1,100 | 4,996 | 325 |
| Militia and Defence..... | 5,764 | 956 | 11,971 | 1,900 | 5,971 | 932 |
| Secretary of State, includ- ing Queen's Printer in 1875..... | 9,394 | ..... | 12,743 | ..... | 7,650 | ..... |
| Interior..... | 3,072 | ..... | 10,345 | 720 | 6,138 | 2,162 |
| Receiver-General..... | 3,224 | ..... | 5,644 | 1,370 | 3,669 | 9 |
| Inland Revenue... .. | 9,451 | 2,142 | 8,715 | 3,400 | 5,907 | 1,820 |
| Finance | 9,226 | 1,209 | 16,611 | 5,838 | 14,398 | 8,287 |
| Treasury Board..... | 313 | ..... | 706 | ..... | 709 | ..... |
| Customs | 26,811 | 311 | 19,375 | 1,697 | 17,234 | 1,433 |
| Public Works..... | 13,192 | 2,414 | 17,453 | 3,541 | 11,320 | 1,578 |
| Post Office..... | 38,850 | 4,677 | 40,872 | 14,183 | 31,820 | 6,890 |
| Agriculture..... | 12,723 | 551 | 11,059 | 2,717 | 13,500 | 3,785 |
| Marine and Fisheries..... | 10,048 | 453 | 11,559 | 499 | 11,911 | 1,757 |
| Sundry Departments..... | 11,998 | ..... | 17,851 | ..... | 16,003 | ..... |
| Departmental Totals..... | 176,709 | 13,704 | 212,327 | 38,821 | 171,602 | 31,651 |
| Contingencies of House of Commons | 104,003 | ..... | 90,000 | ..... | 130,000 | ..... |
| Total Departmental Con- tingencies at Ottawa, '73 | 280,717 | ..... | ..... | ..... | ..... | ..... |
| Total Departmental Con- tingencies at Ottawa, '75 | ..... | ..... | 302,327 | ..... | ..... | ..... |
| Total Departmental Con- tingencies at Ottawa, '76 | ..... | ..... | ..... | ..... | 301,602” | ..... |

The foregoing is a strange illustration of economy and retrenchment as practised by the Mackenzie Government, showing as it does that they are recklessly prodigal in the controllable expenditure, even down to the unnecessary employment of Extra Clerks. The amount paid to employes of

this class in 1875 was nearly three times as much as in 1873. It was increased from Thirteen Thousand Seven Hundred and Four Dollars (\$13,704) in 1873, to Thirty-eight Thousand Eight Hundred and Twenty-one Dollars (\$38,821) in 1875.

The facts disclosed in this table prove what is even worse than the waste of the people's money—a disingenuousness on the part of the Government and their friends in persistently imputing to their predecessors, as a crime, the appointment of supernumeraries, until it was proved from the Public Accounts that it was not their predecessors but themselves who were guilty. If I have fallen into error in this or in any other of these tables, why do not the Ministers point it out?

The table following shows the increased expenditure for the Administration of Justice :

“DETAILS OF EXPENDITURE—ADMINISTRATION OF JUSTICE.

| ITEMS. | 1873. | 1875. | 1876. |
|---|-----------|-----------|------------|
| ONTARIO. | | | |
| Court of Error and Appeal..... | \$ 2,166 | \$ 20,999 | \$ 20,999 |
| “ Queen's Bench | 14,500 | 15,999 | 15,999 |
| “ Chancery | 14,108 | 15,999 | 15,999 |
| “ Common Pleas | 14,500 | 15,999 | 15,999 |
| County Judges | 104,521 | 117,877 | 117,896 |
| Circuit allowances..... | 11,900 | 11,800 | 11,600 |
| Total, Ontario..... | 161,696 | 198,676 | 198,496 |
| QUEBEC. | | | |
| Court of Queen's Bench..... | 24,152 | 25,999 | 25,998 |
| Superior Court | 78,774 | 112,743 | 113,201 |
| Court of Vice-Admiralty | 3,031 | 3,031 | 3,036 |
| Circuit allowances..... | 13,826 | 11,632 | 9,210 |
| Total, Quebec..... | 119,784 | 153,406 | 151,445 |
| Total, Nova Scotia..... | 32,500 | 32,449 | 34,099 |
| “ New Brunswick | 33,649 | 36,699 | 36,788 |
| “ Manitoba and North-West..... | 6,350 | 13,949 | 16,884 |
| “ British Columbia | 37,318 | 42,991 | 40,527 |
| “ Miscellaneous..... | 7,666 | 4,154 | 14,991 |
| “ Prince Edward Island..... | ..... | 15,077 | 15,199 |
| “ Supreme Court ..... | ..... | ..... | 35,657 |
| Total expenditure on Administration of Justice, 1873..... | \$398,966 | | |
| Total expenditure on Administration of Justice, 1875..... | | \$497,405 | |
| Total expenditure on Administration of Justice, 1876..... | | | \$544,091” |

In referring to this table Mr. Mackenzie, at Galt, threw responsibility on the Ontario Government, and said that I did not understand the subject. Mr. Mackenzie is a layman, like myself, and we probably understand the subject equally well. It would have been more to the point if Mr. Mackenzie had shown that I had incorrectly stated the cost of the Administration of Justice in 1875 and in 1876, two completed years of the *regime* of reform and retrenchment. Unfortunately for the country the correctness of my figures is unquestionable.

Mr. Blake, in his speech at Teeswater, also cast the chief blame upon the Government of Ontario. But what it really concerns the people to know is that the cost of the Administration of Justice to them, and of litigation to suitors, has been enormously increased since 1873, and that the changes which have been made tend to protract litigation. The members of the legal profession are the only gainers, and they are great gainers, by the recent changes in procedure.

Mr. Blake, at Teeswater, entered into minute details touching the expenditure in the Department of Justice, and stated that it had been very much reduced during the financial year which closed on the 30th June last. He should have explained that he was communicating what was known only to himself and his colleagues, because the accounts containing the information he was imparting would not be placed in the hands of the public till Parliament met. I do not doubt the correctness of Mr. Blake's statement; but as it might be supposed by some persons that the comparison instituted by him could have been made by me, when dealing with the question of expenditure, I wish to point out that that supposition would be unfounded, because no one outside of the Government knows anything yet of the details of the expenditure of 1877. The expenditure in the Department of Justice for the following years was (see Public Accounts and page 47 of my pamphlet),

| | 1873. | 1875. | 1876. |
|------------------|-----------------|-----------------|-----------------|
| Salaries..... | \$17,367. | \$21,844. | \$22,983. |
| Contingencies... | 9,470. | 10,852. | 4,996. |
| | <hr/> \$26,837. | <hr/> \$32,696. | <hr/> \$27,979. |

It will thus be seen that in 1874-1875, the first complete financial year of Mr. Mackenzie's administration—ending twenty months after his accession to power—the expense of the Department of Justice was Five Thousand Eight Hundred and Fifty-nine Dollars (\$5,859) more than in 1872-1873, the last complete year of Sir John Macdonald's Government; and that in the year 1875-1876—the last for which we have the Public Accounts, and one throughout which Mr. Blake was Minister of Justice—the expenditure was One Thousand One Hundred and Forty-two Dollars (\$1,142) more than in

1872-1873. But Mr. Blake imparts the gratifying information that the expenditure for 1876-1877 will only be as follows :—

| | |
|---------------------|-----------|
| Salaries | \$10,750. |
| Contingencies . . . | 2,787. |
| | <hr/> |
| | \$13,537. |

This is an enormous reduction, and goes to show that those who called attention to the extravagance of the Government rendered the country good service. I have no doubt, that in consequence of the exposure of Ministerial extravagance, by others as well as myself, efforts will be made throughout the Departments to reduce, or at least to appear to reduce, expenditure.

What is to be said, however, of the Party of Economy for increasing the expenditure in the Department of Justice, on their accession to office, when Mr. Blake shows that it might have been reduced one half? It is to be regretted, however, that Mr. Blake did not state explicitly that the amount of the reduction of expenditure in that Department would be an actual saving to the country, and not merely a reduction in one Department resulting from the transfer of business, and of the expenditure necessary for its performance, to another or to other Departments, leaving the gross expenditure for the service really undiminished. If the latter should prove to be the case, and I fear it will, the public disappointment will be great. And if it should not be so, how can Mr. Blake defend an expenditure of Twenty-seven Thousand Nine Hundred and Seventy-nine Dollars (\$27,979) in his own Department in 1876, when he shows that Thirteen Thousand Five Hundred and Thirty-seven Dollars (\$13,537) should have sufficed?

At Teeswater, when enumerating the labors of his Department, Mr. Blake said that the number of "registered references" had increased from One Thousand Nine Hundred and Seventy-One in 1872 to Five Thousand Six Hundred and Forty-Two in 1877. It is a pity that he did not explain what "registered references" mean. To the ears of laymen the words have a formidable sound; while, in point of fact, I believe the references are little more than questions from the Heads of Departments—the colleagues of the Minister of Justice—in respect to the administration of their Departments.

Cases must constantly arise requiring the interpretation of the Statutes under which the business of the Departments of Public Works, Customs, Excise, Finance, Post Office, Marine and Fisheries, &c., is carried on.

Some of these are of sufficient importance to require a formal opinion from the Department of Justice, but the great majority of them must be of little more than routine character, and should be disposed of by the Heads of Departments, and no doubt they are so disposed of in Departments presided over by competent and efficient Heads. But if the Heads of Departments are

inefficient, they will be compelled to refer to the Minister of Justice for advice and guidance upon every trifling point which may arise. If this should be done to any great extent—and from what Mr. Blake said of the number of references, I fear it is—it would really be imposing upon the Minister of Justice the burden of having practically to conduct the business of most of the Departments of the Government. If Mr. Blake had to do this, it is no wonder that his health suffered; and if the task was too onerous for him, may it not prove too much for Mr. Laflamme?

Mr. Blake's remarks upon this subject may be read, I think, as words of reproach addressed to his colleagues, telling them that owing to their inefficiency the work in the Department of Justice had gone on increasing, until at length the burden had impaired his health and compelled him to retire from that Department, the one which he naturally delighted to preside over, and to seek relief in another which is a sinecure.

The people at large have been coming for some time, with wonderful unanimity, to the conclusion that the Government is conspicuous for incapacity. If I have interpreted Mr. Blake's words aright,—and no Minister, probably, knows his colleagues better than he does,—he has fully justified that conclusion.

The next two tables show what it cost to collect the Customs and Excise revenues respectively :

“ CUSTOMS—Total Expenditure for 1873. **\$567,675**

Total Expenditure for 1875..... **\$682,673**

Total Expenditure for 1876..... **\$721,008**

“ It will be observed that while the revenue from Customs has very greatly decreased, the cost of collecting it has steadily increased. The cost of collecting this branch of the revenue in 1876 was Thirty-eight Thousand Three Hundred and Thirty-five Dollars (\$38,335) more than in 1875, while the revenue for the same period fell off Two Millions Five Hundred and Twenty-seven Thousand One Hundred and Seventy-four Dollars (\$2,527,174). The present Government is of course alone responsible for the expenditure of last year, and I should like to hear a reasonable explanation of the increased cost of collecting the Customs revenue.”

" EXCISE—DETAILS OF EXPENDITURE FOR 1873, 1875 AND 1876.

| ITEMS. | 1873. | 1875. | 1876. |
|---------------------------------|-----------|-----------|-----------|
| ONTARIO. | | | |
| Salaries..... | \$76,791 | \$94,066 | \$92,119 |
| Contingencies..... | 12,005 | 16,891 | 24,030 |
| Total Ontario..... | 88,796 | 110,957 | 116,149 |
| QUEBEC. | | | |
| Salaries..... | 25,299 | 30,968 | 31,349 |
| Contingencies..... | 4,752 | 6,651 | 7,901 |
| Total Quebec..... | 30,051 | 37,619 | 39,250 |
| NOVA SCOTIA. | | | |
| Salaries..... | 6,203 | 7,900 | 7,275 |
| Contingencies..... | 535 | 2,724 | 3,455 |
| Total Nova Scotia..... | 6,738 | 10,624 | 10,730 |
| NEW BRUNSWICK. | | | |
| Salaries..... | 5,139 | 7,150 | 6,885 |
| Contingencies..... | 871 | 1,399 | 1,380 |
| Total New Brunswick..... | 6,010 | 8,549 | 8,265 |
| Total Salaries..... | 113,432 | 140,084 | 137,628 |
| Total Contingencies..... | 18,163 | 27,665 | 36,766 |
| Manitoba..... | 1,924 | 3,998 | 4,253 |
| British Columbia..... | 1,285 | 5,318 | 6,208 |
| Prince Edward Island..... | ..... | 3,056 | 3,829 |
| General Expenses..... | 36,900 | 19,132 | 29,675 |
| Total Expenditure for 1873..... | \$171,704 | | |
| Total Expenditure for 1875..... | | \$199,253 | |
| Total Expenditure for 1876..... | | | \$218,359 |

"It will be seen that the expenditure in this department has largely increased since 1873; the contingencies have actually more than doubled. It is incredible that the necessities of the service called for so large an increase in expenditure."

Next comes the tabulated statement of expenditure in the Department of Immigration ; when submitting it to the Senate I said :

"I now come to the Department of Immigration and Quarantine. I believe no money has been spent by this Government from which the country has got a smaller return. I hope the Minister at the head of that Department will tell the House why it is so. * * * * *

DETAILS OF IMMIGRATION AND QUARANTINE FOR 1873, 1875, AND 1876.

| ITEMS. | 1873. | 1875. | 1876. |
|---|-----------|-----------|-----------|
| Total expenditure | \$277,368 | \$302,770 | \$385,845 |
| Quarantine items | 11,871 | 13,768 | 12,233 |
| Total in 1876 on account of Mennonites : | | | |
| Transport | | | 38,761 |
| Loan | | | 57,670 |
| | | | \$96,431 |
| Total number of Immigrants by the St. Lawrence route for 1873..... | 36,901 | | |
| Total number of Immigrants by the St. Lawrence route for 1875..... | | 16,038 | |
| Total number of Immigrants by the St. Lawrence route for 1876..... | | | 10,901 |
| Cost per head in 1873 | \$7 76 | | |
| Cost per head in 1875 | | \$18 90 | |
| Cost per head in 1876 | | | *\$26 55" |

"In this statement I have not included the immigrants who entered Canada by the Suspension Bridge—who were people passing through from New York to the Western States, or who came to reside temporarily in Canada, and whose effects were admitted duty free when they described themselves as settlers."

The above is the only one of my statements of expenditure which Mr. Mackenzie pretended to "tackle," and it would have been better for himself if he had left it included with the others in his general and reckless charge of "falsehood." Mr. Mackenzie should remember the danger of condescending to particulars.

* This is based on expenditure, less the amount paid to the Mennonites. Adding cost of *transport* of Mennonites, but excluding the loan, the cost *per head* of all immigrants for 1876 was Thirty Dollars and Ten Cents.

At the Galt pic-nic Mr. Mackenzie said :

“ I was a good deal amused with some of the matters discussed by the writer of Senator Macpherson’s little pamphlet, and especially with his treatment of the question of immigration. The total expenditure in 1873, according to Mr. Macpherson’s pamphlet, was Two Hundred and Seventy-seven Thousand Three Hundred and Sixty-eight Dollars (\$277,368) ; the Secretary of the Department says it was Three Hundred and Four Thousand Dollars (\$304,000). Mr. Macpherson tells us that the total expenditure in 1875—our first year—was Three Hundred and Two Thousand Seven Hundred and Seventy Dollars (\$302,770) ; the Secretary of the Department tells us it was Two Hundred and Ninety-six Thousand Six Hundred and Ninety-two Dollars (\$296,692).”

It is strange that Mr. Mackenzie did not ask the Audit Department instead of the Immigration Department to rebut my statement. Perhaps he did so and received no comfort.

I have turned again to the authority to which Mr. Mackenzie, as well as I, must bow where expenditure is concerned,—the Public Accounts ; and I find that my statement, as it appeared in my pamphlet and as I give it above, is strictly accurate, as Mr. Mackenzie will see if he will refer to pages 101 and 128 of the Public Accounts for 1873 and 1876 respectively.

At Orangeville Mr. Mackenzie said :—

“ Why, Sir, who is Mr. Macpherson ? He speaks as if he were a great light of some political party, instead of what he is, a mere political neophyte. What has Mr. Macpherson ever done to entitle him to speak in this oracular fashion ? When he ventured to discuss these matters in the Senate, he was replied to by Mr. Scott in one of the ablest and most convincing speeches I ever read, and yet we are now asked to believe the statements of this book. Let me give you an example. There is a classification here, showing the expenditure of the late Government and the present Government under the head of immigration, in which he makes it appear that after we came into office the cost of immigration was a great many more dollars per head than it was previously. But he knows very well that just before we came into office the late Minister of Agriculture, Mr. Pope, made an arrangement by which Five Dollars per head was paid to the Allan Steamship Line for every immigrant they brought into the country. Mr. Macpherson must have known this. That is an example of the statements made in this pamphlet, and I am sure that any one who studies the Public Accounts cannot but come to the conclusion that this man, who pretends to look down from his lofty pedestal of patriotism and virtue, is one of the bitterest political partizans who has ever appeared before the people of Canada, and as such I dismiss for the moment Mr. Macpherson and his pamphlet.”

Mr. Mackenzie, it will be seen, complained that I did not, before stating the enormous cost of Immigrants under his *régime*, deduct Five Dollars per head paid to the Allan Line, under an agreement made in 1873. That agreement would not have been binding on Mr. Mackenzie in 1876, unless he considered it for the public interest. In any case, I had to deal with the expenditure as I found it in the Public Accounts. But even if I had deducted Five Dollars per head—which there would have been no propriety in doing,—the cost per head would have been Twenty-one Dollars and Fifty-five Cents (\$21.55) in 1876, against Seven Dollars and Seventy-six Cents (\$7.76) in 1873! Mr. Mackenzie admits he was afraid that too many immigrants would come to Canada. I do not think he need have been so, while the Province of Manitoba and the North West Territory have to be peopled; but if he took steps to diminish the immigration, he should also have taken measures to have diminished more rapidly the expenditure of the Department.

Mr. Scott's speech may have been a very able one, but it was not a reply to mine. If he replied triumphantly to my charges, why does not the Ministerial press publish his speech? The convincing way would be to publish *seriatim* my tables showing the increased expenditure, and Mr. Scott's triumphant replies, in parallel columns. The truth is, no one has "tackled" my statements showing the increase of the controllable expenditure under the present Government. In characterizing me after his polite manner as a political "neophyte," Mr. Mackenzie unwittingly admitted that I had not been conspicuous as a partizan in Parliament, and that my services had been given to the country and not to party.

When referring to the Weights and Measures Act in the Senate, I said:—

"This measure was passed by the late Government; and the then Finance Minister, Sir Francis Hincks, estimated the expenditure at Fifty Thousand Dollars; but it has cost Ninety Thousand or One Hundred Thousand Dollars a year since it was put in operation. The present Government was premature in putting this Act into operation. There was nothing in the Act requiring that it should go into operation until the country was prepared for it. It required the proclamation of the Governor-General to put it into operation, and that proclamation must have been issued upon the advice of the present Government. I think the Government will find it a difficult matter to justify this expenditure. The truth is, that wherever it could be done, or under whatever Act it was possible to dispense patronage, it was dispensed, and every plausible excuse was advanced to justify and excuse it. The consequence is, the enormous increase in the public expenditures under the auspices of the present Government, to which I am now calling attention."

The enforcement of the Act, I am told, has entailed great inconvenience and, in some instances, heavy loss upon the parties directly affected.

The next Table is a comparative statement of the public debt and the interest thereon since 1873.

Referring to it at the Orangeville pic-nic Mr. Mackenzie, with great injustice, said :—" In this precious pamphlet he (Mr. Macpherson) leaves out of his " calculation the year 1873-4 altogether, although he well knows that was the last " year of the late Administration, and tries to show that we are responsible even " for the increased interest paid upon the public debt in 1874-5, while he knows " very well that the interest on the public debt was not increased one dollar by " the present Government, and that the increase in that year was wholly due " to the legislation of 1873. The public debt since incurred was due to the " increased expenditure upon the various public works wholly undertaken by " the late Government. The Government of 1873 increased the public debt " of this country in that year by thirteen millions of dollars. I have only " time to-day to call attention to this dishonest—might I not add dishonora- " ble ?—mode of attack, and to say to Mr. Macpherson that when, as a public " financier, he attempts to answer the statements of the Finance Minister, he " must do so in a way that will commend itself to the judgment of intelligent " men."

When bringing this before the Senate I said, " I will submit a statement of " the details of the increases of expenditure charged to the Consolidated Fund " and largely within the control of the Government of the day for 1875 and 1876 " over 1873, and 1876 over 1875. In this comparative statement *I exclude* " *all items connected with the public debt—interest, management of the debt* " *and sinking fund.*" And before submitting the statement, I said :—" The next statement which I propose to submit *will be interesting in itself* " *rather than reflecting upon any Government.*" This is a complete answer to Mr. Mackenzie's imputation of unfairness. It is the extreme fairness of my statements which renders them embarrassing to the Government. If they were not true and not fair, they would be very harmless.

The following is the

" COMPARATIVE STATEMENT OF PUBLIC DEBT AND INTEREST.

| PUBLIC DEBT. | TOTALS. | Increases. | INTEREST ON DEBT. | TOTALS. | Increases. |
|--|-------------|------------|----------------------------|-----------|------------|
| | \$ | \$ | | \$ | \$ |
| Total debt, 1873.... | 129,743,432 | | Total interest, 1873. | 5,549,374 | |
| Increase, '73 to '74. | | 11,420,119 | Increase, '73 to '74. | | 573,470 |
| Total debt, 1874.... | 141,163,551 | | Total interest, 1874. | 6,122,844 | |
| Increase, '74 to '75. | | 10,499,850 | Increase, '74 to '75. | | 217,212 |
| Total debt, 1875.... | 151,663,401 | | Total interest, 1875. | 6,340,056 | |
| Increase, '75 to '76. | | 9,541,286 | Increase, '75 to '76. | | 413,115 |
| Total debt, 1876*.. | 161,204,687 | | Total interest, 1876. | 6,753,171 | |
| TOTAL INCREASE OF DEBT IN 1874, 1875 AND 1876..... | | 31,461,255 | | | |
| TOTAL INCREASE OF INTEREST IN 1874, 1875 AND 1876..... | | | 1,203,797 | | |

When submitting it to the Senate I said :—

" Hon. gentlemen know that interest is charged against the Consolidated Fund; and since the 30th of June, 1873, the increased amount of interest charged to that fund has been One Million Two Hundred and Three Thousand Seven Hundred and Ninety-seven Dollars (\$1,203,797)—not the annual increase, but the total increase of interest during those three years. Hon. gentlemen will here find a confirmation of what I have stated—that the burthens of the people are not being lightened, but grievously increased. My next statement will show the annual expenditure on account of the public debt since 1873 :

* In November, 1876, a new Loan was negotiated amounting to Twelve Millions One Hundred and Sixty-six Thousand Six Hundred and Sixty-six Dollars (\$12,166,666.)

“ANNUAL EXPENDITURES ON ACCOUNT OF PUBLIC DEBT COMPARED SINCE 1873

| | 1873. | 1874. | 1875. | 1876. |
|--|-------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ |
| Interest..... | 5,209,205 | 5,724,436 | 6,590,790 | 6,400,902 |
| Management and Exchange..... | 178,644 | 264,683 | 227,200 | 218,147 |
| Sinking Fund..... | 407,826 | 513,920 | 555,773 | 822,953 |
| Total Expenditure on account of Public debt in 1873..... | \$5,795,675 | | | |
| Total Expenditure on account of Public Debt in 1874..... | | \$6,503,039 | | |
| Total Expenditure on account of Public Debt in 1875..... | | | \$7,373,763 | |
| Total Expenditure on account of Public Debt in 1876..... | | | | \$7,432,002 |

I shall now reproduce without new comment the remaining tables as they appear in my first pamphlet.

The subjects to which they relate cannot be kept too much before the people, that they may see how their affairs are conducted, and especially how their money is expended under the promised pure and economical *régime* of Messrs. Mackenzie and Blake.

INCREASE OF ANNUAL EXPENDITURE ON ACCOUNT OF PUBLIC DEBT SINCE 1873.

| | Increase in 1874. | Increase in 1875. | Increase in 1876. | Increase 1876 over 1873. |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------------|
| Interest paid on Public Debt | \$515,231 | \$866,354 | decr'se \$189,888 | \$1,191,697 |
| Management and Exchange. | 86,039 | decrease 37,483 | decrease 19,053 | 29,503 |
| Sinking Fund..... | 106,094 | 41,853 | 267,180 | 415,127 |
| Total increases | \$707,364 | \$908,207 | \$267,180 | \$1,636,327 |
| Less for decreases..... | | 37,483 | 208,941 | |
| Net increase in 1874.... | \$707,364 | | | |
| Net increase in 1875..... | | \$870,724 | | |
| Net increase in 1876..... | | | \$58,239 | |
| Net increase of 1876 over 1873 | | | | \$1,636,327 |

**ITEMS OF EXPENDITURE CHARGED TO CAPITAL IN PUBLIC ACCOUNTS,
IN THE YEARS 1873, 1874, 1875, AND 1876.**

| | TOTALS. | NAME OF WORK. | 1873. | 1874. | 1875. | 1876. |
|-------------------------------|------------|------------------------------------|-----------|-----------|-----------|-----------|
| | \$ | | \$ | \$ | \$ | \$ |
| Canals | 3,445,299 | Welland Canal..... | 82,282 | 746,420 | 1,047,119 | 1,569,478 |
| | 691,631 | Lachine Canal..... | 7,824 | 158,618 | 197,420 | 327,769 |
| | 82,173 | Beauharnois Canal..... | 33,241 | 26,541 | 22,391 | ..... |
| | 791,365 | Carillon and Grenville Canals..... | 132,822 | 190,323 | 249,512 | 221,708 |
| | 9,448 | Baie Verte..... | 4,877 | 4,018 | 443 | 110 |
| | 254,157 | Carillon and Chute a Blondeau.. | 376 | 54,935 | 90,352 | 104,494 |
| | 70,315 | St. Ann's Lock..... | ..... | 12,753 | 32,627 | 24,935 |
| | 11,473 | Rideau..... | ..... | ..... | 9,310 | 2,163 |
| | 140,501 | Lock at Culbute Rapids..... | ..... | ..... | 63,659 | 76,842 |
| | 2,415 | Chambly..... | ..... | ..... | 2,415 | ..... |
| | 11,145 | St. Peter's..... | ..... | ..... | 20 | 11,125 |
| | 50,215 | St. Lawrence..... | ..... | ..... | ..... | 50,215 |
| | 5,559,137 | | | | | |
| Parliament Buildings } .. | 692,792 | { Library..... | 35,931 | 49,604 | 42,941 | 40,067 |
| | | { Tower and ground..... | 63,555 | 86,359 | 47,858 | 78,088 |
| | | { Walls and Workshops..... | ..... | ..... | 48,070 | 12,670 |
| | | { Extension West Block..... | ..... | ..... | 27,254 | 100,000 |
| | | { Fire walls and water service.. | ..... | ..... | 23,358 | 37,013 |
| Pacific Railway... | 2,137,692 | Survey..... | 561,818 | 310,224 | 474,529 | 791,121 |
| | 83,940 | Fort Francis Locks..... | ..... | ..... | 7,411 | 76,529 |
| | 2,724,201 | Steel Rails.. | ..... | ..... | 1,012,739 | 1,711,412 |
| | 3,544 | Sundries..... | ..... | ..... | 3,544 | ..... |
| | 215,841 | Telegraph line..... | ..... | ..... | 28,560 | 137,284 |
| | 113,055 | Lake of Woods and Rainy River..... | ..... | ..... | ..... | 113,055 |
| | 195,370 | Fort Garry and Pembina..... | ..... | ..... | 19,405 | 175,965 |
| | 179,804 | Fort William to Shebandowan.. | ..... | ..... | ..... | 179,804 |
| | 111,394 | Georgian Bay Branch..... | ..... | ..... | ..... | 111,394 |
| | 5,764,844 | | | | | |
| | | North-West Territories..... | 63,238 | ..... | ..... | ..... |
| Intercolonial..... | 11,839,295 | Intercolonial..... | 4,827,183 | 3,417,661 | 2,645,460 | 998,991 |
| | 88,632 | P. E. I. Railway..... | ..... | ..... | 46,086 | 42,546 |
| Government Railways..... | 1,279,309 | Nova Scotia and New Brunswick. | 192,055 | 197,236 | 780,638 | 109,330 |
| Total spent 1873 to 1876..... | 25,337,241 | Totals..... | 6,005,240 | 5,254,698 | 6,923,185 | 7,154,118 |

GENERAL SUMMARY.

| TOTALS. | ITEMS. | 1873. | 1874. | 1875. | 1876. |
|------------|--|-----------|-----------|-----------|-----------|
| \$ | | \$ | \$ | \$ | \$ |
| 5,559,145 | Canal Works..... | 261,430 | 1,192,608 | 1,715,268 | 2,388,839 |
| 5,823,32 | Pacific Railway..... | 625,056 | 310,224 | 1,546,238 | 3,316,564 |
| 11,839,325 | Intercolonial Railway..... | 4,827,183 | 3,417,667 | 2,645,474 | 999,001 |
| 1,279,259 | Government Railways N.S. and N.B.. | 192,055 | 197,236 | 780,638 | 109,330 |
| 88,632 | P. E. I. Railway..... | ..... | ..... | 46,086 | 42,546 |
| 692,798 | Parliament Buildings..... | 99,516 | 135,963 | 189,481 | 267,838 |
| 25,337,241 | Total Expenditure charged to Capital in Public Accounts in 1873..... | 6,005,240 | | | |
| | Total Expenditure charged to Capital in Public Accounts in 1874..... | | 5,254,698 | | |
| | Total Expenditure charged to Capital in Public Accounts in 1875..... | | | 6,923,185 | |
| | Total Expenditure charged to Capital in Public Accounts in 1876..... | | | | 7,154,118 |

N.B.—Total for Intercolonial to 30th June 1876, Twenty-one Millions Five Hundred and Eighty-two Thousand One Hundred and Eighty-eight Dollars (\$21,582,188). Total for Pacific Railway to same date Six Million Two Hundred and Fifty-four Thousand Two Hundred and Eighty Dollars (\$6,251,280). These amounts include expenditure previous to 1873, not shown above.

COMPARATIVE STATEMENT OF THE REVENUE AND EXPENDITURE OF EACH FINANCIAL YEAR SINCE CONFEDERATION.

| EXPENDITURE AS PER PUBLIC ACCOUNTS. | 1867-68. | 1868-69. | 1869-70. | 1870-71. | 1871-72. | 1872-73. | 1873-74. | 1874-75. | 1875-76. |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Charges for management of Debt, Interest and Subsidies..... | \$ 7,969,990 | \$ 8,403,527 | \$ 8,102,191 | \$ 8,638,565 | \$ 9,004,362 | \$ 8,717,076 | \$ 10,255,798 | \$ 11,124,726 | \$ 11,122,359 |
| Ordinary Expenditure | 3,639,298 | 3,459,485 | 3,891,592 | 4,610,401 | 5,873,519 | 7,062,095 | 8,324,076 | 7,868,690 | 8,566,774 |
| Charges on Revenue..... | 1,885,884 | 2,175,071 | 2,351,724 | 2,374,114 | 2,711,587 | 3,395,475 | 4,736,442 | 4,719,654 | 4,796,238 |
| Total charged to Consolidated Fund..... | 13,486,092 | 14,038,084 | 14,345,509 | 15,623,081 | 17,589,468 | 19,174,647 | 23,316,316 | 23,713,071 | 24,488,372 |
| Total Receipts of Revenue as per Public Accounts | 13,687,928 | 14,379,174 | 15,512,225 | 19,335,560 | 20,714,813 | 20,813,469 | 24,205,092 | 24,648,715 | 22,587,587 |
| Yearly surpluses | 201,836 | 341,090 | 1,166,716 | 3,712,479 | 3,125,345 | 1,638,822 | 888,776 | 935,644 | ..... |
| Deficit..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1,900,785 |

RECAPITULATION OF SURPLUSES.

| | |
|-------------------------------------|------------|
| SURPLUS—Financial year 1867-68..... | \$ 201,836 |
| “ “ “ 1868-69..... | 341,090 |
| “ “ “ 1869-70..... | 1,166,716 |
| “ “ “ 1870-71..... | 3,712,479 |
| “ “ “ 1871-72..... | 3,125,345 |
| “ “ “ 1872-73..... | 1,638,822 |
| “ “ “ 1873-74..... | 888,776 |
| “ “ “ 1874-75..... | 935,644 |

Total amount of Surpluses since Confederation.....\$12,010,708

DEFICIT—Financial year 1875-76 (ending 30th June, 1876)..... \$1,900,785

CAPITAL EXPENDITURE, AS PER PUBLIC ACCOUNTS, FOR EACH FINANCIAL YEAR SINCE CONFEDERATION.

| | 1867-68. | 1868-69. | 1869-70. | 1870-71. | 1871-72. | 1872-73. | 1873-74. | 1874-75. | 1875-76. |
|------------------------------------|------------|------------|-------------|-----------|-------------|--------------|--------------|--------------|--------------|
| Miscellaneous Public Works..... | \$ 524,126 | \$ 325,127 | \$ 281,630 | \$ | \$ 461,969 | \$ 552,998 | \$ 1,526,811 | \$ 2,731,482 | \$ 2,868,560 |
| Pacific Railway..... | ..... | ..... | ..... | ..... | 489,428 | 561,818 | 310,224 | 1,546,241 | 3,346,567 |
| Intercolonial Railway..... | 50,081 | 169,782 | 1,567,586 | 2,866,376 | 5,039,063 | 4,827,183 | 3,417,661 | 2,645,460 | 998,991 |
| North-West..... | ..... | 19,113 | 1,821,887 | 773,871 | 241,888 | 63,238 | ..... | ..... | ..... |
| Total Expenditure on Works.... | 574,208 | 514,023 | 3,671,104 | 3,640,248 | 6,236,349 | 6,005,240 | 5,254,698 | 6,923,185 | 7,154,118 |
| Debt allowed Provinces..... | ..... | ..... | ..... | ..... | 1,662,200 | 13,859,079 | 4,927,060 | ..... | ..... |
| Total Capital Expenditure... .. | 574,208 | 514,023 | 3,671,104 | 3,640,248 | 7,898,549 | 19,864,319 | 10,181,758 | 6,923,185 | 7,154,118 |
| Increase and Decrease of Debt... + | 28,493 | + 102,184 | + 2,350,423 | - 503,224 | + 4,480,554 | + 17,661,389 | + 8,476,502 | + 7,683,413 | + 8,543,136 |
| Capital Expenditure from Income. | 545,714 | 411,838 | 1,320,681 | 4,143,472 | 3,417,995 | 2,202,929 | 1,705,256 | - 760,228 | - 1,389,017 |

RECAPITULATION OF CAPITAL EXPENDITURE.

| | |
|---|---------------|
| Total Capital Expenditure on Miscellaneous Public Works since Confederation..... | \$ 9,212,706 |
| Total Capital Expenditure on Pacific Railway since Confederation..... | 6,254,280 |
| Total Capital Expenditure on Intercolonial Railway since Confederation..... | 21,582,188 |
| Total Capital Expenditure on works in North-West Territory since Confederation..... | 2,920,000 |
| Total Debts allowed Provinces since Confederation..... | 20,452,340 |
| Total Capital Expenditure since Confederation to 30th June, 1876..... | 60,421,515 |
| Net increase of Debt since Confederation to 30th June, 1876.. .. | 48,822,872 |
| Total Capital Expenditure from Income since Confederation to 30th June, 1876..... | 11,598,643 |
| Expenditure on Public Works in former years, transferred from Capital Account to Consolidated Fund in 1870-71 | 317,680 |
| Amount of Income expended on Public Works, properly chargeable to Capital, and thereby <i>pro tanto</i> avoiding the increase of the Public Debt..... | \$ 11,280,962 |

I also reproduce my memorandum upon the Steel Rails, supplemental to my speech in the Senate, I said :—

“ It is difficult, I repeat, to obtain the information necessary to prepare a strictly accurate account of the Steel Rails transaction. The details have to be extracted from several sources, and they are not always given explicitly. Any statement of loss prepared can now, of course, only be approximate; but the ultimate actual loss is pretty certain to exceed any estimate of it that has been presented. The expenditure for Steel Rails and fastenings as nearly as I can ascertain is as follows :—

| | |
|--|-------------|
| Paid in England for 50,000 tons of Steel Rails, as per Parliamentary return, £600,800, (including freight to Canada of 40,000 tons, and to Vancouver Island of 5,000 tons) . . | \$2,923,900 |
| The freight to Canada on the remaining 5,000 tons, I estimate at | 15,000 |
| | <hr/> |
| Paid on account of inland transport charges, insurance, &c. . . | \$2,938,900 |
| Interest on ascertained payments to 30th June, 1877. | 222,884 |
| | 271,365 |
| | <hr/> |
| | \$3,433,149 |

Including inland freight, labor and other charges, which must have been paid since 1st July, 1876, but of which we have not the accounts, the total amount disbursed by the Government must exceed THREE MILLIONS FIVE HUNDRED THOUSAND DOLLARS !

Interest is properly chargeable on all disbursements for materials from the date of payment until they are used in the Railway. I apprehend interest will thus be chargeable on the whole outlay in connection with the Steel Rails purchase for an average period of four years at least, which, on the amount at present known to have been paid out, will amount to Six Hundred and Ninety Thousand Five Hundred and Thirty-four Dollars.

THE PROFIT AND LOSS ACCOUNT of the Government Steel Rails speculation may be taken to stand about as follows, viz. :—

| | |
|--|-------------|
| Cash paid in England for steel rails and fastenings. | \$2,938,900 |
| The same quantity could have been purchased, deliverable this Spring in Canada, for | 1,800,000 |
| | <hr/> |
| Loss on first cost. | \$1,138,900 |
| Interest to 30th June, 1877, on ascertained payments. | 271,365 |
| To this must be added the cost of 4,000 tons laid upon the Truro and Pictou Railway, a line that would not have been steeled had not the rails been on hand. | 235,120 |
| (The Government has taken authority to transfer this Railway to Nova Scotia as a gift to a private Company.) | |
| | <hr/> |
| Ascertained loss to the end of current fiscal year, 30th June, 1877 | \$1,645,285 |
| | <hr/> |
| Interest is running on at the rate of about \$13,500 per month and is increasing—I estimate the further loss by interest before the rails are used at. | \$419,169 |

It may be assumed that the country's loss by this unfortunate transaction, before the interest account can be fairly closed, will not be less than TWO MILLIONS OF DOLLARS!

The Rails have been distributed as follows :—

5,000 tons to Vancouver Island, where they are not required.

11,000 tons to Nova Scotia, 4,000 tons of which are to be given away to a private Company. *

And the remainder are at various places from Kingston to Manitoba."

I submit that I have now proved that what I said in the pamphlet was not only all true, but that in respect to the increased expenditure under the controllable heads I favored the present Government.

Mr. Mackenzie knew that my allegations were strictly true, yet he stood up before large meetings of the Canadian people—people gathered together expecting to hear from him words of political wisdom and truth—and declared to them that my pamphlet was altogether untrue, and that there was "a falsehood on every page." It is incomprehensible how Mr. Mackenzie could have exhibited such want of self-respect. He was most unwise, too, from the lowest point of view. His mis-statements could only serve for the hour. He could not have supposed that I would allow them, coming from a personage of his importance, to remain uncontradicted and undisproved.

Efforts have been made by speech and press to mystify and bewilder the people with lists of dismissals and appointments, with returns of increases and reductions of salaries; and latterly representations based upon a Parliamentary return which is misleading to a degree that renders it positively fraudulent have been put forward with great effrontery as evidence of Ministerial economy and retrenchment. What really concerns the public is the amount of money expended, for that comes out of their pockets. The details of expenditure are to be found only in the Public Accounts. I have made comparative tables of these, extending over several years; and I have placed the result accurately, and I hope clearly, before the public. It is truly disappointing and appalling to find large increases where we expected decreases, and extravagance and waste where we looked for economy and retrenchment. I repeat here the words with which I concluded my speech in the Senate upon the increased and increasing controllable expenditure :—

"I shall, no doubt, be charged with partizanship, as I have been before, when I have called attention to the shortcomings of the Government; but the only partizanship I have in this matter is in favor of efficient administration.* This is my only motive, and I think my course in this House while I have had a seat in it entitles me to expect that my statement will be ac-

* Holding a position independent of parties, as I have always done in the Senate, and criticizing measures freely, in the public interest, as I believed, it has been my fate to be charged with partizanship by both Governments, each in turn charging me with being the partizan of the Opposition for the time being. My study has been to be the partizan of neither.

“cepted. I expected an efficient and able administration of the public affairs from the present Government. I put faith in their pledges of political purity and financial retrenchment; but I have been sadly disappointed, as the country has been.”

I have looked over the speeches which our Ministers delivered at political gatherings, called pic-nics, during the summer and autumn, to discover what information had been communicated to the intelligent people who, at inconvenience to themselves, had assembled to listen to the Ministers of the Crown. I think it will be conceded that Cabinet Ministers should not, for light cause, leave their posts at Ottawa and keep the business of their Departments in virtual suspense during long absences; and that when Ministers do invite the people to meet them, the people have a right to expect full information respecting the material and political condition of the Dominion, and the progress making and proposed to be made with the costly Public Works in process of construction. Upon these and all other subjects of public interest, including the future policy of the Government, the people had a right to expect true and full information from the Prime Minister. They had a right to expect that Mr. Cartwright would have enlightened them upon the present state of the finances, the amount of the deficit for the year ending on 30th June last, and how he proposed to meet it, and that he would have communicated much besides of interest to the agriculturalist. But whoever will look through the speeches of Ministers will find very little calculated to inform and improve the public mind, but much to deprave the public taste. They were devoted almost exclusively to gross misrepresentation and vituperation. The slanders were so extravagant, however, that intelligent hearers must have seen that the speakers were uttering what they themselves did not believe. Their itinerary wanderings have been likened to a circus. Many may consider that comparison unjust, and may be of opinion that no circus would thrive whose mountebanks debased the ring with ribaldry as low—I am sorry to say it—as that which our Ministers and their supporters indulged in at their pic-nics.

I have something now to say to Mr. Cartwright; but before dealing with the more important portions of his pic-nic speeches, I will notice his scurrilous and unprovoked personalities directed at myself. In criticising men and measures in the past, I confined myself to the policy and public acts of the Administration and to the political inconsistency of some of its members, but I carefully eschewed offensive personalities. I entertained no feeling of unfriendliness towards any member of the Government; I never spoke or wrote a discourteous word of Mr. Cartwright personally; I did not even mention him in my “reflections” in the pamphlet, I confined them to the gentlemen whom I believed to be the ruling spirits in the Cabinet—Messrs. Mackenzie, Blake and Cauchon. His outpourings of virulent abuse upon me were therefore entirely unprovoked, and must have been indulged in to gratify a malevolent nature and a debased, vulgar mind.

I will give a biographical sketch of Mr. Cartwright, which may be interesting to the public at large, to whom he is personally but little known; and it may assist them to judge of his fitness for his present office. If I relate facts which Mr. Cartwright would rather not hear, he has himself alone to blame.

At Port Elgin, he referred frequently and offensively to my personal appearance. It seemed to disturb him throughout his speech. He made an unmannerly allusion to tall men, to the effect that, like tall houses, their upper stories were often the worst furnished. Perhaps this rude observation was intended to annoy the leader and real head of the party to which Mr. Cartwright is at present attached,—the Honorable George Brown. In stature Mr. Brown is inferior to few men in the Dominion, and Mr. Cartwright may have adopted this unmanly mode of retorting upon him for the severe castigations which he had administered, through the *Globe*, to Mr. Cartwright, for being a “mixer and muddler” of figures.

It cannot be said that Mr. Brown’s chastisements improved Mr. Cartwright as a financier; and it was blameable in Mr. Brown, knowing as he did Mr. Cartwright’s unfitness for the office of Minister of Finance, not to have exercised the influence which he undoubtedly might have exercised, and forbidden the appointment. Mr. Cartwright’s appointment, notwithstanding his deficiencies, seemed like an admission that there was a paucity of available financial talent in the ranks of the Ministerial party proper. At all events, Mr. Mackenzie went beyond those ranks and appointed a life-long Tory, a disappointed office-seeker. Mr. Cartwright should be careful not to offend Mr. Brown. He is dependent upon him for his political existence, for now that he has quarrelled with Sir John Macdonald, it is doubtful if he would be returned to Parliament even by the Constituency that he looks upon almost as his own property, if Mr. Brown favored another candidate.

I observe that Mr. Cartwright is also reported to have said at Port Elgin that he did not know whether I was “an educated man.” This was a piece of pedantic affectation and insolence. Not only had there been an ordinary acquaintanceship between us extending over many years, but he dined daily at the same table with me at Ottawa during the last six or eight sessions of Parliament, sitting either next or next but one to me, and his insinuation was evidence of the want of judgment for which Mr. Cartwright is conspicuous. If he had been endowed with the smallest tact, or with a generous and manly nature, he would have remembered how large a proportion of the men prominent in this country and on this continent, in public life, trade, enterprise and influence, are self-educated and self-made men, and he would not have flung wanton insult at them. If he were not blinded by his own vanity, he would have perceived that he was sneering at his political leader, the Prime Minister, who no doubt feels a pride in belonging to the class of self-educated men—a class for whom I entertain the highest respect. In

regard to my education, I may tell him that it was a plain Scotch one, such as has enabled many of my countrymen to attain world-wide eminence.

It is true that few of Mr. Cartwright's contemporaries or seniors in Canada had his early advantages, but this should not have made him arrogant and insulting to those who had been less fortunate than himself; for, even in respect to education, humility would probably best become him.

To fit him for taking a part in the business of life he enjoyed three very important advantages over me—a university education, a course of legal study, and a fortune by inheritance. His fortune left him free to pursue intellectual studies, unharassed by the anxieties and necessities of providing for the wants of himself and those dependent upon him—from which few in this country are exempt. Mr. Cartwright was sent to Trinity College, Dublin, and after remaining the usual time at that ancient seat of learning, he returned to Canada, and entered as a law student at Osgoode Hall, Toronto. I have not seen the addition to his name of any University Degree, nor do I find his name on the list of Barristers or Attorneys; but I shall not enquire into his success either as a University student or as a student of the Law Society of Ontario. Nor shall I enquire into his connection with the Commercial Bank,—the institution in which he commenced his financial education, and of which he was President at the time of its failure. I shall confine my criticism to his Parliamentary career, that being the portion of his life in which the people of Canada are directly interested.

Fortune favored Mr. Cartwright's entrance into public life. He had inherited large interests in the County of Lennox—interests so large as to induce him to regard the County almost as his pocket constituency. He had not been long in Parliament before it became obvious that his object was not to serve the country but to make the country serve him. He has shown that he cared not which Leader he sat under. Place and pay appear to be his only ambition. He began by giving attention to militia questions, but he discovered that the militia would have to be managed economically, and that that department did not afford scope for the prosecution of his aims. He then set his heart upon the great department of Finance. When Sir John Rose retired from the Government, Mr. Cartwright expected to have been appointed his successor. Sir John Macdonald, however,—fortunately for the Dominion—placed the portfolio of Finance in the hands of that experienced and skilful financier, Sir Francis Hincks.

This gave mortal offence to Mr. Cartwright, and in the end he went over to the Opposition. He did not differ with Sir John Macdonald upon any question of principle or of public policy, but withdrew his support and joined the Opposition solely because Sir John would not appoint him to an office which experience

has proved he was unfit to fill. Had Mr. Mackenzie not given him office, he would have quickly rejoined the present Opposition; but Mr. Mackenzie, as I have already stated, being unable to fill one of the most important offices in his Administration from the ranks of his own party, gave it to Mr. Cartwright. Mr. Cartwright is gifted with a flippant fluency which enables him to deliver Budget speeches which may perhaps satisfy those who only give superficial consideration to the subjects. But whoever will read all his Budget speeches and compare them with those of his predecessors since Confederation, Sir John Rose, Sir Francis Hincks, and Mr. Tilley—will discover their shallow, their electro-plate character.

As a Minister of Finance Mr. Cartwright has not been successful. On the contrary his failure has been complete and discreditable. When the present Government succeeded to power they resolved to increase the public revenue by the sum of Three Millions of Dollars. I will not enquire here into the wisdom of this decision: suffice it that the Government determined to levy Three Millions of Dollars more than their predecessors levied upon the people, and that it became the duty of Mr. Cartwright to submit to Parliament a scheme of new and increased taxation. Mr. Cartwright undertook his task with great confidence and boldness; with that rashness which we are told characterizes those who rush in where angels fear to tread. He undertook to grapple with the whole tariff, and announced his intention of reconstructing it. The publication of his proposed changes produced a state of alarm and agitation among the commercial and trading community altogether unparalleled in this country. Deputations from all important business interests besieged the Government at Ottawa, representing that Mr. Cartwright's proposed tariff would greatly injure them. The more it was discussed the more crude and unsuitable it was demonstrated to be; and in the end poor Mr. Cartwright, notwithstanding the large majority at his back in the House of Commons, had to withdraw his tariff and content himself with dove-tailing additions to the tariff of his predecessors.

Seldom had so severe and humiliating a rebuke been administered to anyone occupying Mr. Cartwright's position. Ministers in Canada and in England, when carrying on the Government with small majorities in the House of Commons, have had to withdraw unpopular fiscal measures to avoid defeat; but in the case of Mr. Cartwright's tariff the Government incurred no risk of defeat. They had an overwhelming and obedient majority ready to pass whatever measures they desired. His proposed tariff was withdrawn, not because it could not be carried, but because even his colleagues became convinced that it was crude and unsuitable, and if passed into law would be injurious to the country at large and disastrous to the Administration. It was a huge and ludicrous blunder, and if Mr. Cartwright had not been an inveterate placeman he would have retired from the Government; but, unfortunately for the country, he submitted to the gross slight for the sake of retaining office. Mr. Mackenzie would no doubt have removed him from the Administration for

his blundering if he could have refilled his place with a better-qualified man, but such would appear to have been the poverty of the Reform Party in Financiers that the Government had to bear the discredit brought upon it by the rashness and rawness of Mr. Cartwright. Two very important branches of commerce, however, were left to be dealt with as he thought fit—Sugar and Tea. The well-known result was the closing of the great sugar refinery at Montreal and the annihilation of the direct tea trade with China and Japan. It is fortunate that he was not allowed to do as he pleased with other branches of trade.

Although Mr. Cartwright's tariff was withdrawn, he obtained fiscal legislation which he assured Parliament would yield the Three Millions of additional revenue which the Government wanted; but unfortunately failure again waited upon Mr. Cartwright, and his new taxes yielded very much less than he estimated.

It would seem almost impossible that a Minister of Finance could have exhibited greater want of knowledge than Mr. Cartwright did, when master of all the sources of Revenue of the Dominion and supported by a large and unquestioning majority in the House of Commons, he failed to raise the amount necessary to meet the increased expenditure to which the Government had committed itself. It was largely owing to his culpable miscalculation that the country was placed and still remains at the mercy of money-lenders, and that Mr. Cartwright became the Father of Deficits.

I felt it my duty last Session to call attention to one of the conditions on which Mr. Cartwright in the preceding November negotiated a loan. I did so in the following words:—"By the conditions of the loan the subscribers were allowed to withhold the six months' interest payable on the 1st of May, out of the instalment due on 25th May, thus making it a payment of interest out of capital, and diminishing by the amount of such interest and sinking fund the principal sum to be received by the country from the loan. The deductions to be made are—

| | | |
|---|---------------|----------------------------|
| " Discount..... | 9 | per cent. |
| " Commission to agents..... | 1 | " |
| " Six months' interest due 1st May, withheld... | 2 | " |
| " Sinking fund, agency, &c..... | $\frac{1}{2}$ | " |
| <hr/> | | |
| | | 12 $\frac{1}{2}$ per cent. |

The net proceeds, as nearly as can be ascertained in the absence of precise information from the Government, would be, Loan (£2,500,000 sterling,).....\$12,166,666

" Less, for discount, for commission, for interest withheld out of capital, sinking fund, agency, &c., in all 12 $\frac{1}{2}$ per cent. . . . 1,520,833

\$10,645,833"

I did not blame Mr. Cartwright personally except for the pernicious condition which in respect to this Loan he introduced of paying Interest out of Capital. But I blamed the Government for administering the affairs of the country so badly as to compel the Minister of Finance to accept a loan on terms dictated by the lenders. In connection with the Loan of 1875 I feel bound to call public attention to words spoken by Mr. Cartwright on a late occasion.

It is well known that when he went to England in 1875, to negotiate a loan, he published a statement setting forth in glowing terms the prosperous condition of the Dominion, and extolling, in effect, the wise and successful administration of his predecessors. The opinions he expressed in England conflicted with those he expressed in his Budget speeches, and his other utterances in Canada; but I am not aware that he ever attempted to explain the inconsistency until he did so in a speech delivered at Aylmer on the 22nd of September last. It would have been well for Mr. Cartwright's reputation, and well for the credit of the country, if he had not broken silence upon the subject; for he is not capable of reconciling the irreconcilable. Either what Mr. Cartwright stated in the prospectus issued by him in London was true, or what he states in Canada is true. Both representations cannot be true, although he asserts that they are—one must be false. I believe that the English prospectus contained the truth, and that its truth is attested by the condition of the country when the present Government succeeded to power, and by the Public Accounts of that period.

To show how irreconcilable are Mr. Cartwright's statements, I will give in parallel columns extracts from his London prospectus and from his Aylmer speech:—

Extract from a Statement issued by Mr. Cartwright, in London, placing the condition of the Dominion before British Capitalists, on the 19th of October, 1875:—

“The whole of the debt has been incurred for legitimate objects of public utility. * * * * The indirect advantage from these public works has already been found in the remarkable rapidity with which the commerce and the material prosperity of the Dominion have been developed ; while a substantial increase in the direct returns may fairly be expected from the improvements now in progress and to follow the steady progress of population and trade. * * * * The revenue has shown a continuous surplus during each year since Confederation, in 1867, although it has in the interval been charged with much heavy expenditure of an exceptional kind, such as the outlay connected with the several Fenian attacks on the country, the acquisition and organization of new territory, and providing an adequate defensive force for the Dominion. * * * * The eight years since Confederation, therefore, exhibit an aggregate surplus of Two Millions Four Hundred and Forty-three Thousand One Hundred and Eleven Pounds (equal to Eleven Millions Eight Hundred and Eighty-nine Thousand Eight Hundred and Eight Dollars, and not including the sinking fund) which has been partially applied in the redemption of debt, and partially expended in new works. The annual payment for sinking fund is included in the current expenditure, and forms in the aggregate a further sum of Seven Hundred Thousand Pounds (or Three Millions Four Hundred and Six Thousand Six Hundred and Sixty-eight Dollars) since Confederation.”

Extract from a Speech delivered by Mr. Cartwright at Aylmer, on 22nd September, 1877 :—

“How, I say, did they prepare to face these obligations? The thing is incredible but it is true. These old, these wise, these sagacious, experienced, and provident statesmen (?) actually prepared to meet this tremendous charge on our resources in this fashion. By raising the expenditure in 1873-4, from Nineteen Millions and a trifle in 1872-3, to Twenty-three Millions Three Hundred and Sixteen Thousand Dollars ! They prepared to meet such a burden of debt as no Minister had ever before dreamed of imposing on the country by raising the expenditure in one year Four Millions of Dollars. *Sir, I have asked myself more than once, and I now publicly repeat the question, Was this done in sheer brutal ignorance and recklessness, or was it done of malice prepense? Did they design to scuttle the ship after they had plundered her? Or was it only the last mad folly of the drunken crew before they ran upon the breakers?* Whatever the cause, that was the position of affairs when we came into office ; those were the difficulties to which you have alluded in your address, and with which my honorable friend has been struggling ever since. Now there is no doubt the position was a critical one.”

Mr. Cartwright had been in office about two years when he issued the prospectus of the 19th October, 1875. Two years afterwards—on the 22nd September, 1877—he expressed, in the words which I have quoted, the opinion which he had formed of the finances of the Dominion immediately after he had succeeded to office in 1873 ; and he tells us that that opinion was unchanged when he issued his London prospectus, and that it is still unchanged. The public will thus see with indignation that Mr. Cartwright openly declared at Aylmer that his prospectus of 19th October, 1875, did not express his honest opinion of the financial condition of the Dominion,

and that that document was intended to deceive British Capitalists. In doing what Mr. Cartwright boasted of having done, he not only proclaimed himself a dishonest man but he brought disgrace upon his country, disgrace which will become indelible unless he be required to retire from her Councils. If there is one high-minded man in the Government, it is difficult to see how he can remain in it with Mr. Cartwright for a colleague.

Mr. Cartwright, after publishing in England his prospectus of 19th October, 1875, was bound on his return to Canada to urge economy and retrenchment upon his colleagues, not simply to redeem their oft-repeated pledges to the country, but also on account of the heavy engagements of the Government—engagements which had been largely increased by himself. However, this was not what he did. On the contrary, he and his colleagues continued their course of culpable extravagance. In England, he represented this country as smiling with prosperity everywhere, its revenue increasing, its “debt incurred for legitimate objects of public utility,” &c. In Canada, he tells us that such was the deplorable condition of our public affairs generally, and especially of our finances, when he became Minister of Finance, that he had often asked himself the disgraceful questions which I have just quoted.

In the same speech he went on to say:—

“My duty was twofold. First, I had to show you, and our other friends throughout the country, how grossly our resources had been mismanaged, how great and how grave was the bill of indictment to be levelled against our predecessors.* But when I went to England it was not my business to cry ‘stinking fish’ in the London Stock Exchange. There are two great truths underlying all discussions as to the finances of this country. One is, that the great prosperity you have enjoyed for many years was very grossly abused, and made the means of committing you to all manner of foolish engagements. Another is this—that so great is the intelligence, the industry, and the resources of the people of Canada, that, in spite of the folly and extravagance of the late Government, you are not yet ruined or bankrupt, but are making your way manfully and well out of these entanglements, and will be able in a short time, I hope, to pay your way as well as ever. It was that side of the shield which it was my duty to present to the people of England, and which, I think, I did with

* The following extract from Mr. Cartwright's London prospectus disproves this charge:—
 “The eight years since Confederation, therefore, exhibit an aggregate surplus of Two Millions Four Hundred and Forty-three Thousand One Hundred and Eleven Pounds (equal to Eleven Millions Eight Hundred and Eighty-nine Thousand Eight Hundred and Eight Dollars; and not including the sinking fund) which has been partially applied in the redemption of debt, and partially expended in new works. The annual payment for sinking fund is included in the current expenditure, and forms in the aggregate a further sum of Seven Hundred Thousand Pounds (or Three Millions four Hundred and Six Thousand Six Hundred and Sixty-eight Dollars) since Confederation.

"some effect. Your progress has been really great and marked, and your resources were likewise great. It was only when speaking to you I displayed the brazen side of the shield most prominently, but on going to England I showed them the silver side, as I think you will admit it was my duty to do. There is no deception in the matter; every word I said was true, only I directed the attention of the English capitalists to one phase of the situation, while I directed yours to another."

Mr. Cartwright may say "There is no deception in the matter," but it will require an abler man than he is to convince the world that both statements are true. Every honest man will say that he proclaimed in a shameful and "brazen" manner that when he, the Finance Minister of Canada, went to England to borrow money, he misrepresented, or rather intended to misrepresent, the true financial condition of the Dominion; that he boasted of having obtained the loan under false pretences; and that so lost was he to all sense of honor that he evidently was in happy ignorance of having disgraced his country, and of having done that which should disqualify him from representing her again on any mission, and from continuing to serve her in any capacity. Who would trust a country that retained in her service a Minister who boasted that he carried about with him a two-faced shield, representing Truth and Untruth, to present whichever face he might consider best calculated to promote his objects? Mr. Cartwright's name will figure in history as that of the only Finance Minister in the world who has made so disgraceful a confession. The Ministers of Honduras, Costa Rica, Ecuador, and Peru are not so lost to all sense of self-respect as Mr. Cartwright is. They may be as unscrupulous as he, but they respect the scruples of others, and refrain from publicly boasting of having done that which they know honest men will condemn as disgraceful.

When Mr. Cartwright's confession becomes known in England, he may have assigned to him a high place among the dishonorable negotiators of Foreign Loans whose frauds were brought to light before the British House of Commons two or three Sessions ago, and he may find himself classed with the worst of them—with those who were expressly excluded from the presence of the Queen, notwithstanding that they filled at the time the high positions of Diplomatic Representatives of their Countries.

The extracts I have given from Mr. Cartwright's Aylmer speech read more like maniacal utterances (as do all his pic-nic speeches) than the thoughtful and careful words which should fall from the lips of a Minister of Finance. Canada at this juncture requires the services of a Finance Minister possessing in an especial degree the qualities which Mr. Cartwright conspicuously lacks,—honesty, skill, prudence and economy. He may congratulate himself that the caustic Sydney Smith is not alive and a holder in the Canadian Loan of 1875. The holders of the Loan need not be anxious. Canada will keep faith with them; but the readers of Mr. Cartwright's speech will see with deep regret his declaration that when he issued the prospectus, on the

strength of which the Loan was taken, he believed it misrepresented the financial condition of the country.

I shall now review the portion of Mr. Cartwright's speech, at Port Elgin, in which he pretended to criticise and refute the financial statements contained in my pamphlet. I confess it afforded me gratification from time to time to see from the reports of pic-nic speeches that Ministers had utterly failed to shake the correctness of either the tabulated statements or the conclusions deduced therefrom, which I submitted to the public, notwithstanding the fierceness and the unscrupulous ingenuity with which they had assailed them. It was not, however, until the Minister of Finance spoke at Port Elgin that my victory was complete.

He delivered his speech on September 25th, and the full report of it was not published until November 7th, therefore I may assume that it was subjected to six weeks' careful revision. Mr. Cartwright, who boasted at Aylmer of his performance on the two-faced-shield, never exhibited its false side with more "brazen" audacity than he did at Port Elgin.

Before introducing the subject of the pamphlet he indulged, as he usually did on those occasions, in misrepresentation and abuse of myself. The defamation of me was a part of the settled policy of Ministers at their pic-nics. It would seem to have been Mr. Cartwright's chief object in travelling from Ottawa to Port Elgin. That policy was adopted in the hope that it would injure me and lessen the influence of my pamphlet. But the defamers overdid their work and it recoiled upon themselves. The people were not deceived; they saw that Ministers did not attempt to refute my charges. The vilification of me had the effect of causing the people to procure the pamphlet, and tens of thousands read it who otherwise would probably never have seen it. If he had not been blinded by conceit he would have known that those whom he addressed disbelieved and ridiculed his vaporings. I venture to say that my former Constituents at Port Elgin, who heard him, even those of them who had been opposed to me politically, were indignant at his abuse of me, and were deeply disappointed with the unhappy exhibition which the Minister of Finance made of himself before them.

Speaking of me on that occasion, Mr. Cartwright uttered the following scandalous words:—"I knew he had not done much except that once on a "time he exchanged a charter for a fat contract, and bought a Senatorship "with part of the proceeds; but nobody, as far as I was aware, ever questioned "his general respectability."

He forgets that I am much better known than he is, in Ontario and throughout the Dominion. I was actively engaged in business in this country before he was born; and personally he had been a stranger to the people who live west of the Napanee river, until last summer, when he made himself very unfavorably known.

Mr. Cartwright knew when he spoke that what he said about "a charter, a contract, and a Senatorship," was unqualifiedly false. What did he mean by suggesting that a Senatorship might be bought? Is the sale of Senatorships one of the "reforms" proposed to be introduced by the Government to which Mr. Cartwright belongs? or are some of the leading members of the Reform party inclined to desire a change in the Constitution of the Senate, because they know or suspect that *their* friends are corrupt enough to engage even in selling and buying seats in the Senate?

Nearly six columns of the *Globe's* report of Mr. Cartwright's speech at Port Elgin are devoted to me. Such an outpouring of unwarrantable abuse although harmless to me, was disgraceful in the extreme to Mr. Cartwright. If he had had but a little knowledge of human nature, he would not have delivered such a speech, for he would have known that it would be regarded by every intelligent listener and reader as evidence of the weakness of his case. It is only the pettifogger, without a defence, who abuses the plaintiff's attorney.

Mr. Cartwright looked upon me as the people's attorney, and abused me for having communicated facts which he would have withheld. Although so profuse in his vituperation of me, Mr. Cartwright was very careful to avoid the salient points of the pamphlet. He scarcely attacked, and certainly did not overturn, one of them. He courageously evaded one of my gravest charges against the present Government—the one which he as Minister of Finance was bound to have met—namely, that it had needlessly, and in disregard of the pledges of its leading members, largely increased the expenditure which was within its control.

I reiterate that my charges were distinctly preferred, and supported by indisputable evidence. Instead of meeting and refuting those charges, or explaining and justifying them, Mr. Cartwright attempted to raise a side and frivolous issue, and, indulging in much simulated indignation and much real abuse, accused me of having mis-stated in the Senate the amount of Mr. Tilley's estimates for 1873-74, and of having then used them as "the chief corner-stone and indispensable foundation of the most important" of (my) Mr. Macpherson's so-called calculations." Now, whoever has read my pamphlet will know that Mr. Cartwright's assertion was absolutely and entirely incorrect. I did not found my calculations or statements of the increased controllable expenditure upon Mr. Tilley's estimates, or any others, but upon the ascertained expenditure according to the Public Accounts. The only statement in the making of which I was influenced by estimates or opinions was that on page 38 of my pamphlet, in which I stated the amount of the increased annual controllable expenditure for the three years—1873-74, 1874-75, 1875-76—which was fairly chargeable against each Government. When submitting my statements to the Senate, I reviewed the financial condition of the Dominion since Confederation, and I contrasted Mr. Cartwright's reckless-

ness with the prudence which had governed his predecessors in preparing their estimates. My reference to estimates was little more than historical. Mr. Cartwright's expenditure, not Mr. Tilley's estimates, was the "chief cornerstone" of my statements. When the actual expenditure of a year is completed the previous estimates cease to be of practical value. They may be interesting for the purposes of comparison, but that is all.

Shall I not surprise Mr. Cartwright's hearers at Port Elgin, and those of the public who may read the speech, in which he asseverated so positively that Mr. Tilley's estimates ought to have been Twenty-four Millions One Hundred Thousand Dollars (\$24,100,000), when I tell them that for the year for which Mr. Tilley estimated the Public Accounts show that the actual expenditure was only Twenty-three Millions Three Hundred and Sixteen Thousand Three Hundred and Sixteen Dollars (\$23,316,316), or Seven Hundred and Twenty-nine Thousand Five Hundred and Eighty-nine Dollars (\$729,589) more than the amount of Mr. Tilley's estimates. From the extravagance which characterized the new Government immediately upon their accession to power, foreshadowed in Mr. Cartwright's first Budget Speech, can any one doubt that during the eight months of the year 1873-74, while they were in office, they contracted engagements which increased the expenditure of the year by a larger amount than this sum of Seven Hundred and Twenty-nine Thousand Five Hundred and Eighty-nine Dollars (\$729,589)?

Did Mr. Cartwright know, when speaking at Port Elgin, that the Public Accounts showed that the expenditure for the year in question was Seven Hundred and Eighty-three Thousand Six Hundred and Eighty-four Dollars (\$783,684) less than he had endeavored to prove that Mr. Tilley should have estimated for? Or was he then doing what he rudely imputed to another gentleman, "talking cram?" Mr. Cartwright argued dishonestly and absurdly against his own admission in his Budget speech of 1874, the words of which I quote again: "The legislation of last session added over "One " Million Five Hundred Thousand Dollars (\$1,500,000) to the fixed charges " of the country." This is correct, and was a confirmation of Mr. Tilley's statement. Mr. Cartwright may indulge in misrepresentations upon this point, but the people are too intelligent to be misled by him. It was, of course, only the "fixed" annual charges that Mr. Tilley or Mr. Cartwright could speak of as "fixed." Mr. Tilley had no power over the controllable expenditure after he retired from office. Mr. Cartwright then succeeded to the control, and it is the increase of the controllable expenditure under Mr. Cartwright that I complain of. I ask, What could Mr. Tilley's estimates of 1873 have to do with the increase of the controllable expenditure in 1876 over that of 1875—Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062)? My estimate in the table on page 38 of my first pamphlet—the second table in this—gave the present Government credit not only for One Million Five Hundred Thousand Dollars

(\$1,500,000), the amount which Mr. Tilley and Mr. Cartwright substantially agreed to be the sum of the increased expenditure in 1876 over 1873, which was due to the legislation of the latter year; but, to be on the liberal side towards the present Government, I gave them credit for Three Hundred and Seventy-seven Thousand Three Hundred and Ninety-eight Dollars (\$377,398) in addition to the One Million Five Hundred Thousand Dollars (\$1,500,000), thus holding the present Government responsible for only One Million Eight Hundred Thousand Dollars (\$1,800,000) of that increased expenditure; but as this amount, or a great part of it, was expended wastefully, if not corruptly, Ministers cannot defend it, and therefore basely charge it against their predecessors. I may remark here that Mr. Cartwright was jubilant over an error which he said he had discovered in my addition of the items composing Mr. Tilley's estimates. In his ecstasy he characterized this as a case of "downright sheer stupidity," "a marvellous inaptitude for simple addition!" If he had discovered an unimportant error, he should have been forbearing, for in his first Budget Speech he had to apologize for an error in simple addition of Twenty-five Thousand Dollars. Think of our great Finance Minister, with the whole staff of the Finance Department on the *qui vive* to prevent his falling into error, displaying "an inaptitude for simple addition," and blundering to the extent of Twenty-five Thousand Dollars in the first estimates he submitted to the House of Commons. Mr. Cartwright gravely alleged that I had supposed that the Act creating the Mounted Police had not been passed nor the North Western boundary survey commenced till 1874. This is truly puerile; any one but Mr. Cartwright would have seen that I meant that items for these services appeared for the first time in the Public Accounts for the financial year ending in June, 1874. He proceeds to charge me with having overlooked the expenditure of Two Hundred Thousand Dollars in connection with the Mounted Police in the North West; and yet that item is included in the expenditure of the year, the exact amount being One Hundred and Ninety-nine Thousand, Five Hundred and Ninety-nine Dollars and Fourteen Cents (\$199,599.14). What can the great Financial "Mixer and Muddler" have been thinking about? Mr. Cartwright next said:—"A most grave mis-statement is that " contained in page 64 of Mr. Macpherson's pamphlet:

" " Sir F. Hincks, in 1870, showed the debt was then Twenty-two Dollars
 " " and Fifty Cents per head. In 1873, Mr. Tilley said the debt per head
 " " had not increased. But in 1876 the debt had increased to Thirty-seven
 " " Dollars and Ninety-three Cents per head. The taxation (per head) had
 " " increased from Three Dollars and Fifty Cents in 1870 to Five Dollars and
 " " Seventy-six Cents in 1876. * * * Six Dollars per head is
 " " now required."

" Which directly implies that the present Government have increased the
 " debt of the Dominion from Twenty-two Dollars and Fifty Cents (\$22.50) to
 " Thirty-seven Dollars and Ninety-three Cents (\$37.93) per head, being an
 " increase of very nearly Fifteen Dollars and Fifty Cents (\$15.50) per head."

I was calling the attention of the Senate and the country to the increase of the public debt, and I left nothing to be implied. I quoted Sir F. Hincks for a part of the statement, and I presumed that what he said was correct. He said in his Budget speech of 1871 :—" Now, Sir, while the debt of those countries " is what I have stated, the debt of Canada is about Twenty-two Dollars and " Fifty Cents (\$22.50) per head of the population. Then, again, taxation in " Great Britain is at the rate of Ten Dollars (\$10.00) per head, and in the " United States Nine Dollars and Twenty-five Cents (\$9.25), while in Canada " it is only about Three Dollars and Fifty Cents (\$3.50)." And, for my own part of the statement, I took the amount of the debt as it stood in the Public Accounts, and the population at a high estimate, and the amount per head was what I stated. I based my calculation on the amount of our gross liabilities. These we must pay, while we have to take the risk of our assets.

When speaking upon the public debt and the interest thereon, Mr. Cartwright was consistently disingenuous and inaccurate. He mentioned in the most casual way, and without stating its amount, that he had negotiated a loan in November, 1876. His comparisons of the debt, however, were all based upon its amount as it stood on 30th June, 1876. He did not tell the people that he had increased their burdens, a year ago, by the sum of Twelve Millions One Hundred and Sixty-six Thousand Six Hundred and Sixty-six Dollars (\$12,166,666), (Two Millions Five Hundred Thousand Pounds Sterling) less what may be applied to the redemption of maturing liabilities, which in his Budget speech of last session Mr. Cartwright put at "something like a couple of millions, which fall due within the "next nine or ten months." When the amount of this Loan is added to the debt as it stood on 30th June, 1876, it makes the gross debt One Hundred and Seventy-three Millions Three Hundred and Seventy-one Thousand Three Hundred and Fifty-three Dollars (\$173,371,353). That was its actual amount when Mr. Cartwright spoke at Port Elgin, instead of One Hundred and Sixty-one Millions Two Hundred and Four Thousand Six Hundred and Eighty-seven Dollars (\$161,204,687), as might have been implied from his statement. He admitted having borrowed "Twenty Millions, nominally Twenty-four Millions "of Dollars" (exclusive of his new loan), which, he said, was an increase of "Two to Three Dollars *per capita*." According to my old-fashioned arithmetic, an increase of the debt of Twenty-four Millions of Dollars would mean an increase of Six Dollars per head on Four Millions of population; and the increase which he admitted, of Twenty Millions of Dollars of debt, would mean an increase of Five Dollars per head. Was Mr. Cartwright suffering from "downright sheer stupidity or marvellous inaptitude" for simple division?

He stated that the gross debt on 30th June, 1876, was One Hundred and Sixty-one Millions Two Hundred and Four Thousand Six Hundred and Eighty-seven Dollars (\$161,204,687), against which, he said, he held "Cash Assets" for Thirty-six Millions Six Hundred and Fifty-three Thousand

One Hundred and Seventy-three Dollars (\$36,653,173). It is well understood that "cash assets" mean assets equal in value to cash, and readily convertible into cash. I looked at the list of Mr. Cartwright's "cash assets," and found under the suspicious heading, "Miscellaneous," the sum of Twelve Millions Six Hundred and Sixty-three Thousand Eight Hundred and Sixty Dollars (\$12,663,860), being more than one-third of the whole amount of the "cash assets." I should like Mr. Cartwright to tell the country how much cash he would expect to receive for these "miscellaneous" assets if he desired to realize them. There are other items among those assets which I might take exception to; but I forbear.

If it were possible for the Dominion to-day to consolidate into one debt every dollar it would owe and be liable for, after realizing its "cash assets," I fear the public debt would exceed One Hundred and Sixty Millions of Dollars (\$160,000,000), or Forty Dollars (\$40.00) per head for every man, woman and child of the population. When discussing the debt question at Port Elgin it must be admitted that Mr. Cartwright performed his favorite "two-faced shield trick" with characteristic audacity.

Mr. Cartwright said I had fallen into "absurd error" in placing the amount of our taxation at Six Dollars (\$6.00) per head. I take it that the people in one way or another contribute the whole of the revenue, and that the revenue should not be less than the expenditure chargeable against revenue. That expenditure was Twenty-four Millions and a Half, in round figures, in 1876. Our population was about Four Millions, so that to have met the expenditure the average contribution to the revenue should have been a fraction more than Six Dollars (\$6) per head in 1876—the year of Mr. Cartwright's deficit of One Million Nine Hundred Thousand Seven Hundred and Eighty-five Dollars (\$1,900,785.) In 1875 it was Five Dollars and Eighty Cents per head; in 1874, Five Dollars and Sixty-nine Cents per head; and in 1873, Four Dollars and Sixty-six Cents per head.

Mr. Cartwright also said:—"The fundamental error of alleging that the "present Government are, or can by any possibility be justly held, responsible "for two-thirds of the expenditure incurred in the fiscal year 1873-4, simply "because they took office on the 7th November in that year, I have already "exposed, and were it not that I see that this foolish and dishonest assertion "is continually repeated by Dr. Tupper, by Senator Macpherson, by Mr. "McCarthy, and, in fact, by every Opposition speaker and paper, I would not "waste another word on the subject." He here committed a "fundamental "error," so far as I am concerned. I never said what he alleged; on the contrary, I have always held that it was impossible to assign to each Government the exact amount for which it was responsible of the expenditure of 1873-4, and for that reason I did not in my tables give the expenditure of that year in detail, but apportioned it *en bloc*—liberally, I believe, for the present Government.

Mr. Cartwright waxed eloquent over my comments on Schedule A of his first Supply Bill, but he said nothing apposite in reply. The Schedules of the Supply Bill were estimates (as are the Schedules of all Supply Bills), the Government of the day being responsible for the actual expenditure. I should doubt if even Mr. Cartwright would have the hardihood to allege that all the amounts asked for by him, and placed by Parliament at his disposal, in Schedule A of his first Supply Bill, would have been asked for or expended by Mr. Tilley had he remained Minister of Finance. Mr. Cartwright delights to prattle over estimates, but takes good care not to discuss or refer to the expenditure of his Government crystallized in the Public Accounts. He could not do the latter without proving the truth of all I had said in respect to the increase of the controllable expenditure and of the general extravagance of the present Government. He attempted to delude the people by evading my charges while professing to answer them. He could not refute them, and dared not discuss them. All he did, beyond thimble-rigging among estimates, was to heap coarse personal abuse upon me.

He enquires of me how I know that the taxes imposed by him in April, 1874, yielded only One Million Seven Hundred Thousand Dollars (\$1,700,000) during the financial year 1874-75. I doubt if they yielded so much. Mr. Cartwright is aware that no one outside of his Department has the means of ascertaining what they yielded, but I can tell him that the Revenue for the financial year ending on 30th June, 1874, was Twenty-four Millions Two Hundred and Five Thousand and Ninety-two Dollars (\$24,205,092); that in the preceding April he imposed new taxes which he estimated would increase the revenue by the sum of Three Millions of Dollars (\$3,000,000); and that the revenue for the financial year ending 30th June, 1875, throughout which his new taxes had been in operation, amounted to Twenty-four Millions Six Hundred and Forty-eight Thousand Seven Hundred and Fifteen Dollars (\$24,648,715), being an increase of only Four Hundred and Forty-three Thousand Six Hundred and Twenty-three Dollars (\$443,623), or less than Half a Million, over the previous year, instead of the Three Millions promised by Mr. Cartwright; and that in the following year, ending 30th June, 1876, there was a deficit of One Million Nine Hundred Thousand Seven Hundred and Eighty-five Dollars (\$1,900,785). This disaster—and a national deficit is a great disaster—the Government caused, by putting faith in Mr. Cartwright's estimate of revenue and basing the public expenditure upon it. The Government committed itself to the expenditure, but Mr. Cartwright did not provide the revenue to meet it. I ask again, would it have been possible to have exhibited graver financial blundering than Mr. Cartwright exhibited in his attempts to increase the revenue? It may be said by some that the times were unpropitious, and that allowance should be made for him. That might be true in the case of almost any other man, but Mr. Cartwright pretended to have foreseen the crisis years before it came. He had warned his

predecessors of its approach, and he should have allowed for it in his calculations. The deficits are due to Mr. Cartwright's miscalculations.

The tables in my pamphlet show the expenditure inaugurated by the present Government, which ought to have been paid out of income, but which, by the amount of the deficits, has really increased the debt. It will be observed that in instituting comparisons, Mr. Cartwright extended them to estimates of his own, made for 1877-78. I confined mine to the ascertained facts; and the latest date to which facts on these subjects have been ascertained by the public is 30th June, 1876.

He blamed me for not having opposed all projects of the late Government for the enlargement of canals, the construction of public buildings, railways, &c. Some of these were necessary; but in respect to the Pacific Railway, as I have shown, the Government of which Mr. Cartwright is Finance Minister has been pre-eminent for folly. Mr. Cartwright characteristically continued to romauce and revel in calculations founded upon his own plastic estimates for 1877-78, and capped the climax of his audacity by substantially claiming for Mr. Mackenzie's Government credit for something like retrenchment. Considering what I have proved in respect to the increase of the controllable expenditure, this is preposterous and requires no refutation; but it is an example of Mr. Cartwright's unscrupulousness. I say to him and his colleagues, in the words of a British Statesman, spoken in the House of Commons before the middle of the last century:—"To endeavor to confute
 " Demonstration by a Grin, or to laugh away the Deductions of Arithmetic,
 " is surely such a Degree of Effrontery, as nothing but a Post of Profit can
 " produce; nor is it for the Sake of these Men, that I shall endeavor to
 " clear up my assertion, for they cannot but be well informed of the State
 " of our Taxes, whose chief Employment is to receive and squander the
 " Money which arises from them."

I have now noticed all that I consider it necessary to notice in Mr. Cartwright's dishonest speech at Port Elgin. It was the speech of a financial charlatan, and the delivery of it was an impudent fraud upon the public, an exhibition worthy of the performer of the "two-faced-shield trick." While writing this I have often asked myself if it were possible that a man in the position of a Minister of the Crown, especially one trained and educated as Mr. Cartwright had been, could be a responsible being while outraging the good taste and decency of the country by delivering and, after subjecting it to six weeks' revision, publishing a speech composed almost entirely of financial misrepresentation and of unprovoked scurrility. His degradation of himself is deplorable, but his degradation of his office and of public life is still more deplorable.

Mr. Cartwright did not attempt to answer my charges against the Government. Why did he not "tackle" them? Why did he not disprove or combat my assertion that the annual controllable expenditure had been

increased during the financial year ending 30th June, 1876, over that of 1875 by no less a sum than Seven Hundred and Seventeen Thousand and Sixty-two Dollars (\$717,062)? Why did he not disprove my estimate of the share of the increase of the annual controllable expenditure for the three years ending on 30th June, 1876, for which the present Government is responsible, namely: One Million Eight Hundred Thousand Dollars (\$1,800,000)? Why did he not explain how it was that the construction of public works (detailed in my pamphlet), to be paid for out of income, had been commenced at a time when he had failed to provide income wherewith to pay for them, and when too the quarterly returns told of falling revenue and thundered in his ears the word "deficit"? Or, when such works had been commenced, why he had not provided the means to pay for them out of revenue instead of increasing the debt? Why did he not refute my charge against the Government of having increased the cost of maintaining the canals and other public works? Why did he not justify the share for which the present Administration is responsible of the increased expenditure on account of Civil Government? Had he no defence to urge on behalf of the Government for trebling the charge for the services of extra clerks, at a time when Ministers and their supporters were alleging that the very corridors of the public offices were crowded with idle supernumeraries appointed by the former Government? He was silent as to the enormously increased charge upon the public for the Administration of Justice. He was also silent about the extraordinary increase in 1876 over 1875 of Thirty-eight Thousand Three Hundred and Thirty-five Dollars (\$38,335) in the charge for collecting the Customs revenue, while the revenue itself for the same year had fallen off Two Millions Five Hundred and Twenty-seven Thousand One Hundred and Seventy-four Dollars (\$2,527,174). Not a word did he utter in defence of the increased cost of collecting the Excise, nor in defence or justification of that sink of extravagance, the Immigration Department, wherein expenditure had increased as immigration had diminished. Mr. Cartwright was as dumb touching the annual public loss by the Steel Rails speculation as he was in regard to the amount of the deficit on 30th June last. Perhaps he expects to cover both out of the award on the Fisheries Claim. Dumb also was he upon the unwise expenditure upon the Canadian Pacific Railway between Lake Superior and the Red River; upon the millions which the country will have to spend, prematurely, in constructing one hundred and ninety miles of the Pacific Railway in a wilderness, in consequence of the railway having been located where connection with the "water stretches" for business purposes is altogether impossible; upon the waste on the Fort Francis Lock, upon the suspicious purchase of land on the bank of the Kaministiquia, upon the loss by the Georgian Bay Branch Railway contract, upon the large loss by the unconstitutional Truro and Pictou Railway transaction. Here were grave charges in abundance which Mr. Cartwright should have noticed, and there are others which he

in the discharge of his duty should have dealt with, instead of insulting the intelligence of the country by maundering over Mr. Tilley's estimates of 1873, with other matters equally irrelevant, and offending against propriety by wantonly slandering me while pretending to criticize my pamphlet. Mr. Cartwright knew that he could not refute any of my statements, and, therefore, he dared not "tackle" them. The greatest of Canadian scandals, the subsidizing of the Speaker of the House of Commons by the Government, even Mr. Cartwright's effrontery did not embolden him to defend before the honest men of Bruce. Not a word did he say in palliation of his having paid a large amount of the people's money to that functionary in distinct violation of law. Mr. Cartwright deceived the people in respect to the actual amount of the debt, both of the gross debt and the debt per head. He deceived them as to the rate of interest which they are paying upon the debt. He deceived them as to the value and convertibility of the "cash assets." He concealed the amount of the deficit for the financial year ending 30th June last, although he must have known it. His pic-nic speeches must have been intended to bewilder and deceive the people.

Mr. Cartwright, I repeat, withheld the truth from his hearers at Port Elgin in respect to the rate of interest paid by the Dominion on its debt. He told them that the rate was reduced, but he did not tell them how much of the capital he had sunk to secure that reduction. He did not tell them that as long as his last Loan remained unpaid they would have to pay interest on upwards of a Million and a Half of Dollars more than the loan realized. Mr. Cartwright went to England and negotiated a loan for Twelve Millions One Hundred and Sixty-six Thousand Six Hundred and Sixty-six Dollars (\$12,166,666), on which amount the Dominion is bound to pay interest; but he only brought home with him Ten Millions Six Hundred and Forty-five Thousand Eight Hundred and Thirty-three Dollars (\$10,645,833). He sank the balance, One Million Five Hundred and Twenty Thousand Eight Hundred and Thirty-three Dollars (\$1,520,833) in England in Discounts, Commissions, &c., and in what I may describe as a payment of interest in advance, out of capital, to obtain a reduction of the nominal rate of interest. I shall say nothing here upon the merits of the transaction. My object is merely to point out that Mr. Cartwright at Port Elgin, while professing to make a full statement of the finances of the Dominion, withheld and concealed many important facts.

I shall now refer to the unjust attacks which have been made upon me, by Ministers of the Crown, in connection with the payment by the Northern Railway Company of the subscriptions of three of its Directors to the fund raised for the wife and family of Sir John Macdonald (when he was supposed to be dying) in recognition of his long and valuable public services.

This matter has been so deliberately, persistently and wickedly misrepresented and falsified by Mr. Mackenzie, Mr. Cartwright and their friends

and supporters, that I shall re-state the actual facts as they were sworn to before the Committee of the House of Commons appointed to enquire into them. I was the honorary Treasurer of the fund. Among the subscribers were the President, the Managing Director (Mr. Cumberland) and another Director of the Northern Railway. These gentlemen subscribed separately, and, so far as I know, without concert. The President and a Director now deceased said to me that Mr. Cumberland would pay their subscriptions. When I called upon Mr. Cumberland, he paid them and his own, in all Two Thousand Five Hundred Dollars (\$2,500), by a cheque of the Northern Railway Company. You are aware that it is alleged by the Government that as the Northern Railway Company was by law required, after paying certain preference charges, to pay interest on the Government lien upon the Railway, I should not have received the cheque of the Company in payment of the subscriptions of its Directors; and much legal sophistry has been expended by Mr. Blake and his professional and lay friends to prove that the money which I received was really the people's money,—that I should have known it was the people's money, and should have refused to take it. Now I ask fair-minded men if it would have been proper or even pardonable in me to have asked either the President or the Director if Mr. Cumberland owed him the amount of his subscription? Would it not also have been discourteous in me to have asked Mr. Cumberland if he was quite sure that the money he was paying was not Government money, which he, the Managing Director of the Company, had no right to pay?

If Mr. Mackenzie (the Prime Minister) subscribed to a fund of which I happened to be Treasurer, and handed to me the cheque of the Isolated Risk Insurance Company (of which he is President) in payment of his subscription, it surely would not be my duty to enquire how he came by the cheque.

The facts have only to be fairly and truthfully stated to show how completely unfounded and malevolent are the charges made against me by Ministers. If their interpretation of the law had been as correct as it was strained and absurd, my conduct was nevertheless blameless.

Even if there be those who are honestly of opinion that it might have been better if I had declined to take the cheque of the Northern Railway Company, in payment of the subscriptions of three of its Directors, yet no just man would accuse me of wrong-doing in having received it. The essential element of wrong-doing—wrongful intent—was absent, as well as any possible personal motive on my part. Mr. Cartwright, in his picnic speeches, ignored these elementary principles of law. He exhibited an ignorance of them which was unpardonable, and a malignity of heart which rendered him an object of pity and commiseration. He alleged that Mr. Cumberland was a Trustee for the public, and that in doing what he did he committed breach of that Trust. If it be granted that Mr. Cumberland was, in a

remote and limited sense, such a Trustee, the utmost that could be said is that it might have been better if he had not paid the subscriptions of himself and the two other Directors by a cheque of the Company ; but no gentleman, no man of correct feeling, would have charged Mr. Cumberland with a crime, or with wrongful intent, or have applied to him the foul language used by Mr. Cartwright, of which the following is but one example :—"Mr. Cumberland, " the Managing Director, who was the immediate instrument of embezzling " or stealing (to speak in plain English)."*

Whether the Minister of Finance is correct or not in saying that Mr. Cumberland was a Trustee, he must concede that he himself is unquestionably one—a sworn Trustee of the public, bound by oath and honor to make no illegal or corrupt expenditure of one dollar of the people's money ; and, in this connection, consider once more the gross violation of law in the case of the Speaker of the House of Commons, the highest judicial Functionary in the Dominion, the Arbiter between the Government and the Opposition in the House of Commons, to whom the Government corruptly and illegally gave a contract ; consider that during four sessions every member of the Government knew that the Speaker was a Contractor—well knew, also, that it was both illegal and corrupt in Ministers to have given a contract to a member of the House of Commons. During all this time, we find Mr. Cartwright, the sworn Trustee of the people, the Custodian of the people's money, deliberately violating law and morals, and paying upwards of Twenty Thousand Dollars to the Speaker, and doing so with the obvious object of corruptly influencing him. We can fancy that we see Mr. Cartwright and his colleagues, gathered round the Public Chest, periodically during those years deliberately abstracting and using large sums of the people's money for this illegal and corrupt purpose.

This is no imaginary case. It was tried before a Committee of the House of Commons last session, and that Committee reported to the House that the

* Is it credible that Incorporated Companies in England by their Managers do not contribute when subscriptions are invited for what are considered almost national objects, such as the Testimonial to the late Mr. Cobden, an object similar in character to the Testimonial to Sir John Macdonald? The legal obligations of Managers must be the same whether they be the officers of a body of shareholders or of the public. In England, however, reasonable discretion in such matters is accorded by common consent to men to whom the control and management of great interests are entrusted ; while in this country the very members of the present Government seem prepared to distort and to trample under foot the principles of law and justice, if by doing so they can injure a political opponent. It is to be regretted that those gentlemen do not apply to their own undoubted Trusteeship for the people the strict rules which they would apply to Mr. Cumberland's alleged Trusteeship. If they did so, Mr. Mackenzie would not have rejected the lowest tender for the improvement of the Goderich Harbor—the tender of a Contractor who had constructed other Public Works satisfactorily—for no better reason, so far as is known, than that the person whose higher tender he accepted was introduced to him by Mr. Blake as a "friend" of his. By that transaction alone our Government of pure and economical professions paid away unnecessarily—should I not add corruptly?—Thirty Thousand Dollars (\$30,000) of the people's money—twelve times the amount paid by the Northern Railway Company for its Directors to the Macdonald Testimonial.

Speaker held a contract from the Government, and that his seat was vacated in consequence; but every member of the Government, every Minister, was quite as guilty of illegal and corrupt conduct as the Speaker. Take it all in all, the turpitude of this transaction cannot be surpassed in the history of Constitutional Government.

If I have drawn a true picture—and its truth cannot be denied—Mr. Cartwright, according to his own law and logic, has been guilty of a gross breach of trust, “of embezzling and stealing, to speak in plain English,” to quote his own words. It is this Mr. Cartwright—this unfaithful, this corrupt and corrupting Minister, this perambulating foul slanderer—who dares to impugn my honor and character, who deliberately and wickedly goes about bearing false witness against his neighbours.

When Mr. Cartwright is adjudged by his fellow-men, he will be pronounced guilty of many deficiencies and offences in his Public Office (some of them disgraceful and confessed by him); guilty, also, according to his own reading of the law, of a gross breach of trust and of “stealing” the public money; and as a man, contradistinguished from an official, guilty of the most dastardly of all offences—the attempt to rob men of their good names.

In this, as in other cases, Mr. Cartwright seems to have acted upon the infamous principle laid down by himself at Newmarket, where he said: “When men are charged with an offence, they will endeavour to divert public attention from it by laying a similar charge at the door of their opponents.”

I may here remark that the relations of the Grand Trunk Railway Company towards the Government are much the same as were those of the Northern Railway Company; that is, it was provided, and still is so far as the Grand Trunk Company is concerned, that the earnings after paying certain preference charges shall be applied in payment of interest on the Government lien upon the Railway. Now, although there may be no probability of the Government ever receiving any payments on account of the amount advanced to the Grand Trunk Company, the public are residuary beneficiaries in the property managed by that Company, and therefore every dollar which it loses, whether from unprofitable arrangements, absence of the closest economy in every department, or in any other way, is a dollar lost to the People: at least I understand this to be the dictum of Messrs. Mackenzie, Blake and Cartwright in an analogous case. It would not be straining the doctrine much further to hold that every one who has a contract with the Grand Trunk Railway Company, whether individually or as a member of a firm or as a shareholder in a company, is in law a contractor with the Government. Among the companies who have contracts with the Grand Trunk Railway Company is the Canadian Express Company, and its arrangement is understood to be an exceedingly profitable one for its shareholders. The amount

of its profits under its arrangement with the Grand Trunk Company is so much money lost not only to the latter Company but, according to the new lights, to the people of Canada.

Mr. Cartwright, I believe, derives a large annual income from shares in the Express Company. May it not be competent for the Government to allege that the arrangement made by the Grand Trunk Railway Company with the Express Company was improvident and corrupt, and to move the courts to declare Mr. Cartwright a Trustee for the public and a Government contractor, and that he also be required to refund the amount of the people's money which he has illegally and improperly received in dividends from the Express Company? If he should be held to be a contractor, his seat in Parliament would be vacated.

Such an interpretation of the law would even apply to members of the Bar who are members of the House of Commons, and would vacate the seats of such of them as may have received a fee, were it ever so small, from the Grand Trunk Railway Company during this Parliament. This might seem a violent straining of the law, but the cases which I have supposed are analogous to the one Mr. Cartwright and his colleagues have attempted to set up in the Northern Railway matter. Perhaps Mr. Cartwright would like to have all the affairs of the Canadian Express Company, from its inception, made the subject of enquiry before a Royal Commission or a Parliamentary Committee.

It might be prudent in Mr. Cartwright and his colleagues, before they again strain the law for the purpose of vilifying and endeavoring to disparage and injure other men, to trace their reading of it to its legitimate conclusion, and see where it will place themselves. When they come to know themselves better, they may arrive at the opinion which, I think, the great body of the people have arrived at—that it would be becoming and perhaps wise to extract from their own eyes the huge beams which obstruct their vision before they engage in microscopic examinations for motes in the eyes of others.

That the public may see the unjustifiable and disgraceful language which Ministers freely used when referring to the Northern Railway matter, and that I have not exaggerated the Ministerial doctrine of trusteeship as enunciated by Mr. Blake in Parliament, promulgated by Mr. Mackenzie in the country, amplified and expounded by Mr. Cartwright at pic-nics, I will give extracts from some of their speeches.

At Galt, Mr. Mackenzie made use of the following words:—"That this same Senator (Mr. Macpherson) was the man who dipped his hands into the money of the people of Canada to the tune of Two Thousand Five Hundred Dollars in order to add to the testimonial fund of his political chief, he being at the time a candidate for the building of the Pacific Railway?"

When Mr. Mackenzie desires to make a slanderous attack he is not restrained even by the knowledge that proof is available to convict him of wilful misrepresentation. The quotation I have given from his Galt speech contains two mis-statements—if I stooped to borrow from Mr. Mackenzie's vocabulary I would say two "falsehoods."

With a confidence that is often allied to ignorance, Mr. Cartwright laid down his dictum at Colborne and at Aylmer in words which I italicize. At Colborne, he said :—"Of the three culprits, from Mr. Cumberland, the Managing Director of the road, who was the immediate instrument of embezzling or stealing (to speak in plain English), from that highly respectable individual, Mr. Senator Macpherson, the very respectable receiver of stolen goods, knowing them to be stolen, to Sir John Macdonald who, judiciously and with the acumen he has long practised, declined to know whence the money came; declined to have anything to do with it, but had it placed in the hands of his wife's Trustees, and does not even pretend to say that the money was honestly got, but is unhappily too poor to make restitution. Of these three I say it is difficult to say who is the worst; but if there is any difference, I think the man who so astutely kept himself clear of the possible penalties was the worst of the party."

At Aylmer the same gentleman said :—"Great sympathy no doubt was felt for Sir John Macdonald when he was seized with what threatened to be a mortal illness some years ago. I admit frankly that I believe Senator Macpherson's motives in getting up the fund were at any rate partly good, though I fear that he acted with some degree of ostentation—that he did not much regard the Scriptural injunction not to let his right hand know what his left was doing, and also that there was an element of shrewd calculation in the whole business. If you want to bestow charity you know from very high authority on what class of people to bestow it, nor do I read that you are instructed to go very far out of your way to bestow charity on Premiers of the Dominion. Premiers have a great many good things in their gift—Premiers can put a man into high offices, such as Lieutenant-Governorships, and so on—Premiers can give fat contracts, that is if they administer affairs as they would 'in the good old days of prosperity and corruption.' It may be contended, indeed, that Mr. Macpherson did not get the Lieutenant-Governorship of Ontario or the Pacific Railway contract, but then it may also be said that it was not for want of trying on his part. We find that one trustee took the money, another trustee received the money, knowing it to be stolen, and the third and chief trustee of all is still living on the proceeds of that money so obtained, and can see no harm in the transaction. Now, gentlemen, there is one thing tolerably clear, and that is, the great worth and value of the moral indignation which Mr. Senator Macpherson expressed pretty publicly when he found Sir John Macdonald was not going to give him the Pacific Railway

“contract, but was going to give it to Sir Hugh Allan. You will understand from this little transaction what right Senator Macpherson had to feel indignant; and I think the country will now become tolerably well aware that we did not lose much by Sir John’s assigning the contract to Sir Hugh Allan and not to Senator Macpherson. The difference between them is this: that Senator Macpherson was quite willing to bribe Sir John Macdonald with other people’s money, while Sir Hugh Allan took the bolder, and perhaps the honester—if you can use that word in this connection—course of bribing him with his own money.”

In addition to these extracts from his Aylmer speech, Mr. Cartwright delivered what filled nearly three columns of the *Globe* with the coarsest abuse of Sir John Macdonald and myself. He appears to have been detailed by his colleagues to do the heaviest part of the nasty work of slander—assisting Mr. Mackenzie—and he did it in a manner worthy of a graduate of Billingsgate, but very unworthy of a Canadian Minister.

He said “it had been intimated that Sir John Macdonald and Senator Macpherson would demand satisfaction from him, (Mr. Cartwright) in mortal combat” for what he had said. I imagine Mr. Cartwright knew when he uttered these words that they, like the greater part of his speech, were drawn from his imagination—were sheer romance. I can assure him that he need not fear a challenge to “mortal combat” from me. I shall confer no such distinction upon him. His conduct would justify his fellow-men in regarding him as being among them what the *Mephitis Americana* is among inferior animals, an offensive creature to be shunned. His diatribes produce no sentiment in my mind, but contempt for him, mingled with pity. He was absurd even in his slander when he charged me with having been possibly influenced by the hope of favours to come, from a man whom he admitted was suffering from what “threatened to be a mortal illness.” I would indeed have been sanguine if I had been influenced by such considerations, under the circumstances which Mr. Cartwright admitted then existed. But I never asked, directly or indirectly, the smallest favour of any Government or of any Minister. Before the late Mr. Crawford was appointed Lieutenant-Governor, my name was freely mentioned in the Press as the probable successor of Mr. Howland; and I did not keep it a secret from my friends, many of whom spoke to me upon the subject, that I would not accept the office if it were offered to me; that, in fact, I would not exchange my Senatorship for any office in the gift of the Government.

Mr. Cartwright’s insinuations, and his imputations of my motives, are really too base and too absurd to require attention or reply from me; they carry with them their own refutation. They could not have been imagined, much less uttered, by a man of honorable instincts, but are worthy of the moral assassin which Mr. Cartwright’s pic-nic speeches have shown him to be. It must be obvious to every who one reads his abuse of me that its virulence must be due to

other causes than the mere fact that as Honorary Treasurer of the Macdonald Testimonial Fund I had received the cheque of the Northern Railway Company in payment of the subscriptions of three of its Directors. It must arise from supposed grievances which he deems to be more personal to himself, and these are to be found in the fact that I have exposed some of his deficiencies and frustrated some of his objectionable designs. I pointed out one of the worst features in the conditions of his last loan, the payment of interest out of capital. It was on my motion that his Bill to change the fiscal year was thrown out in the Senate. That measure seemed to me to have been designed to render impossible all future comparisons between the expenditure of former years, and intended to enable the Government to continue without detection their extravagance, nepotism and jobbery. I proved in the Senate, and, what they considered more unpardonable, I published the proof in pamphlet form, that the Government instead of practising economy and retrenchment was wasteful, incapable and corrupt. The pamphlet being full of facts easily understood by the people, unanswered and unanswerable by the Government, has been found very troublesome to Messrs. Mackenzie, Cartwright and their colleagues. These I believe to be the true reasons for Mr. Cartwright's slanderous personal attacks upon me.

Sir John Macdonald's part in the Northern Railway transaction was absolutely *nil*. He did not know the name of any subscriber to the Testimonial. He therefore did not know that Mr. Cumberland or any of the Directors of the Northern Railway Company had subscribed to the fund, and of course he did not know that the Company had paid their subscriptions until the information was made public through the Commission of Enquiry. Sir John Macdonald had not possession or control of one dollar of the fund for one instant of time. The amount was handed over by me, the Treasurer, to the Trustees. All this was proved upon oath before a Committee of the House of Commons last session, and was known to Messrs. Mackenzie, Cartwright and their colleagues. Yet they, the very men who were most foully compromised in the violation of the Independence of Parliament Act—the men who doled out more than Twenty Thousand Dollars to the Speaker of the House of Commons, and unlawfully retained him in the office of Speaker for four sessions, he being all that time a Government contractor whose seat by law was vacant—are the men who with unblushing effrontery stand up to vilify Sir John Macdonald, as if he were a malefactor, because, unknown to him, the Northern Railway Company had paid the subscriptions of three of its Directors (Two Thousand Five Hundred Dollars) to a fund raised for the benefit of his family; Sir John being, as is well known, as poor at the end of thirty years' public service as he was at the beginning.

Mr. Cartwright has no sympathy with his fellow-men, and therefore has no knowledge of their hearts. His attacks upon Sir John Macdonald are absolutely fiendish. He even has the indelicacy and folly to taunt him with his poverty. He is so blinded by hatred that he does not see that in

doing this he is bearing testimony to the honesty of Sir John Macdonald during his long administration of public affairs, and is answering conclusively his own abominable imputations.

At Aylmer, not content with heaping envenomed abuse upon Sir John Macdonald and myself as individuals, Mr. Cartwright, warming to the work assigned to him by his colleagues, work which evidently was congenial to his taste, said in effect that after all, we were not to blame for what he imputed to us; that we were not responsible, but that our "stealing" was due to our lineage, that it was because we are Highlanders; that our forefathers "stole," and that "predatory instincts are hereditary with us," that "instinct is stronger than reason"; which, in plain English, was saying that Highlanders and the descendants of Highlanders are born thieves, helpless thieves by the "survival of original instincts," and that those "instincts survive to late dates"; so that according to Mr. Cartwright, if Highlanders have the opportunity they all will and must steal; and, not willing to let this reproach stand upon his authority alone, he invoked the corroborative evidence of Mr. Darwin.

Now, if this were true, it would make us a race of outcasts. It is not true, however, as our slanderer well knew. He could not confine the application of his insult to Sir John Macdonald and myself, and he did not profess to do so. Mr. Cartwright, with a heart overflowing with malevolence, and speaking on behalf of the Government, deliberately hurled his scurrility at all of our race, at all the Highlanders and descendants of Highlanders in this Dominion. They are to be found in every township from Sarnia to Cape Breton, and in Manitoba and British Columbia. Their blood flows in the veins of hundreds of thousands of the most law-abiding, honest, industrious and enterprising of our people; yet these are the men and women—for both are included in Mr. Cartwright's sweeping denunciation—who are stigmatized by the Finance Minister as hereditary thieves. He heaped opprobrium upon us not only at a public meeting where, carried away with the excitement of hate, he might have spoken words which in his cooler moments he would have regretted and recalled; but Mr. Cartwright seems to have carefully revised the report of his speech and published it a month and a day after its delivery, thus demonstrating the deliberate and malevolent character of the insult.

It has been suggested that Mr. Cartwright could not seriously have meant what he said, but intended it as a joke,—a heavy and grim joke, truly!

Readers of his speeches will search in vain for one word of kindness or pleasantry, for one expression intended to soften the asperities of public life,—which he has done much to intensify. His speeches teemed with bitterness and hatred, with injustice and slander. If the atrocious insult was intended to be jocose, it would make his offence positively greater by showing that he only meant to check the current of his abuse for a moment, to create a

laugh at what he was pleased to characterize as the hereditary propensity of Highlanders.

Mr. Cartwright has displayed his readiness to wound the sensibilities of a proud and gallant race who, although no longer closely united by the old-time bonds of clanship, are still bound together by ties unseen but not less strong, not less electric in their character—love for the Highland home of their race, pride in the achievements and reverence for the memory of their fathers; and like their fathers they are “aye ready” to resent insult when offered to those cherished memories or to themselves. If anyone had dared to speak in former days of our race as Mr. Cartwright did at Aylmer, I need not say in what manner his tongue would have been silenced. The arms our forefathers fought with are obsolete. Modern times, however, have brought with them modern weapons; and among them is one—the Ballot-box—that can be used to silence Mr. Cartwright’s foul tongue as effectually as any deadly weapon of the olden time, would have done. When the time comes to use that weapon, I have no doubt many Highlanders and their sons, who have been supporters of Mr. Cartwright’s master, will remember the insult which Mr. Cartwright flung at them and at the memory of their fathers. To show that I have not exaggerated what he said, I shall quote his words. They were as follows:—

“ You have all heard, gentlemen, of Mr. Darwin and of his principle of the ‘survival of original instincts to late dates. I have come to the conclusion ‘that this is one of those curious traces of ‘survival’ which he illustrates so ‘well in his famous work. Sir John Macdonald and Senator Macpherson ‘are both distinguished members of ancient and honorable Highland clans. ‘Doubtless their predatory instincts are hereditary. I wish to be just, ‘and I believe the present is a very curious instance of the truth of the saying ‘that instinct is stronger than reason. The ancestors of these gentlemen, in ‘times gone by, stole many a head of black cattle, and if they were caught ‘they were sometimes hanged for it.”

A great author, with whose works Mr. Cartwright is familiar, said:—“Doth ‘any man doubt that if there were taken out of men’s minds Vain Opinions, ‘Flattering Hopes, False Valuations, Imaginations as one would, and the ‘like; but that it would leave the minds of a number of men poor shrunken ‘things, full of melancholy and indisposition, and unpleasing to themselves.” If “vain opinions,” “flattering hopes” and “false valuations” were “taken out of Mr. Cartwright’s mind, it would indeed be a poor shrunken ‘thing.” I now dismiss Mr. Cartwright.

The *Globe* newspaper in an article published on the 11th July, criticizing the pamphlet, did not refute any of my financial statements but spoke disparagingly of me, said I had been a railway contractor and a speculator in land at Point Edward and elsewhere, that Sir John Macdonald had been

interested with me in lands, and that I had been inconsistent in regard to the Canadian Pacific Railway.

It is quite true that the firm of which I was a member, composed then of Sir Alexander Galt, the Hon. L. H. Holton, Col. Gzowski, and myself, were contractors for building the Grand Trunk Railway from Toronto to London and Sarnia. There is nothing new or derogatory to me or to my partners in this charge.

We were required by our contracts to provide the right of way and station grounds. Sometimes from motives of economy or speculation we bought more land than we required for railway purposes and we resold what remained over. I need scarcely add that we bought and sold as advantageously as we could. In fact we were business men governed by two leading considerations, the due fulfilment of our contracts and a fair regard for our own interests. We have gratifying proof in our possession, in the shape of complimentary resolutions from the Grand Trunk Railway Company, of having succeeded in the former; our works are still before the country and we regard them with pride. As to what our own success was I shall only say that it was not marred by parasites. We had no favourites: we did not purchase rails years before we required them, nor did we pay twice as much for them as we need have done; we did not engage in speculations of the Neebing Hotel class—but then, *we* were dealing with our own money, not with the money of the people.

We had, within certain limits, the power to select sites for stations; but we never located a station until after we had purchased the land. The country would have saved a large sum if Mr. Mackenzie had imitated our humble example and had not located the terminus of the Canadian Pacific Railway until after he had acquired the land for it. Mr. Mackenzie was not tied to the town plot of Fort William, even if the bank of the Kaministiquia was the proper site for the terminus, but he had a range of miles to select from. If my firm had managed our railway building as the Government is managing the building of the Canadian Pacific Railway, we should not have been open to what the *Globe* insinuates—almost as a reproach—that we had made a profit; swift ruin would have overtaken us.

Sir John Macdonald at that time (about twenty-five years ago) was our legal adviser, and had an interest with us in some lands, but he was not a member of the Government. This is no new discovery. The *Globe* made it the subject of charges against Sir John and my firm as long ago as 1861. The charges were refuted then on the floor of the Legislative Assembly of United Canada; Sir John Macdonald, Sir Alexander Galt, and Mr. Holton being members of that House at the time.

I do not see that my consistency or inconsistency in respect to the Canadian Pacific Railway can be made to serve in the defence of the Government

against my charges. I think, however, I shall be able to prove that I have not been inconsistent, but have always held the opinion expressed in the following extract from my pamphlet, (page 14) on which the *Globe* founded its charge of inconsistency :—

“ But surely the whole expenditure between Lake Superior and the Red River is premature and unwise ! That section of the railway will cost not less than Twenty Millions of Dollars ; the interest will be One Million of Dollars a year, and with the loss on working the road (which I shall not venture to estimate) will amount to an enormous sum, to be borne by the tax-payers of this Dominion.* I may say, my own opinion has always been that we should have been content, for a time, to use the United States lines for our all-rail-route to Manitoba, and have begun our Pacific Railway at Pembina, thence to Winnipeg, and on through Manitoba and the North-West, combining with its construction a comprehensive and attractive scheme of Immigration, under which Immigrants would be assured of employment and land—employment first and land afterwards. The lands retained by the Government in the North-West, owing to the settlement of adjoining lands would have been enhanced in value, and their sale would have provided funds to aid in extending the railway as required without overburdening the Dominion Exchequer. In this way the Canadian Pacific Railway east of the Rocky Mountains could have been built as fast as required, for very little money, and our prairie country would have become quickly peopled. A similar course, as far as adaptable to British Columbia, might have been pursued in that Province ; and when the Government decided to build the road as a Public Work no reasonable objection could be urged against this policy. Had it been followed, the Dominion, from the Atlantic to the Pacific, would have been more prosperous than it is to-day. We should have been free from the heavy engagements that weigh upon us, and free also from the financial peril that stares us in the face—imminent if not inevitable. Our expenditure to this time upon the railway would have been comparatively small, and would increase only as might be convenient, for it would be subject to our own control.”

In support of my consistency, I shall quote from speeches delivered by me in the Senate. On the 31st May, 1869, on Mr. Campbell's motion to adopt resolutions respecting the acquisition of the North-West Territory, I find the following in the report of the debate (vide *Ottawa Times*, 8th January, 1869).

“ HON. MR. MACPHERSON said :—

“ The importance of the steps we were about to take could not be exaggerated, involving as it did the acceptance of an immense territory. It was an

* I mean to say that this railway when permanently built and made equal to the Inter-colonial Railway will cost Twenty Millions of Dollars. It is being constructed at present in a temporary manner, the rails being the only durable material used in the work.

"acquisition long desired by the people of this country, and they would
 "assume the responsibility cheerfully; but the weight of responsibility could
 "scarcely be exaggerated.—Mr. Macpherson then referred to the terms of
 "the bargain, approving of the feature which left the Hudson Bay Company
 "an interest in the territory, and continued: Having now got the territory, we
 "must open communication with it. We must not be content with possess-
 "ing it, we must people it. We must invite immigration to it, and, there-
 "fore, we must have the means of reaching it; but we must be governed by
 "prudence in doing this. The finances of this Dominion were not in a con-
 "dition to permit us to engage in costly or unremunerative projects. He
 "would not favor a large expenditure in constructing a railway of great
 "length through an uninhabited and unexplored territory, but would open
 "the communication by the most economical route. * * * He then
 "referred to Mr. Dawson's last report, and said he was agreeably surprised
 "that a route could be opened from the head of Lake Superior to Fort
 "Garry, at comparatively small expense, and mainly by water—that with the
 "exception of forty miles road carriage at the Lake Superior end of the route,
 "and ninety miles at the Fort Garry end, there would be only two other
 "short portages, each of two miles. The completion of the improvements
 "recommended by Mr. Dawson would give one hundred and thirty-four miles
 "of land and three hundred and seven miles of water carriage, and, according
 "to his (Mr. Dawson's) estimate, those improvements could be completed for
 "less than Two Hundred and Fifty Thousand Dollars (\$250,000). In his (Mr.
 "Macpherson's) opinion this route, carrying the emigrants by our great lakes,
 "through a salubrious climate, would be the most comfortable and economi-
 "cal that could be opened up. Four hundred miles inland from the head of
 "Lake Superior might seem a long distance, but it was only the same distance
 "as from Montreal to Hamilton, and honorable gentlemen would all remem-
 "ber the time when the only route from Quebec and Montreal to Hamilton
 "was by the unimproved St. Lawrence, before canals were constructed, and
 "that the interior of the country beyond Hamilton was actually settled when
 "the facilities were no greater, if as great, than they would be from Fort
 "Garry to the head of Lake Superior, supposing the communication to be
 "opened up as recommended by Mr. Dawson, and, in his opinion, that was
 "the first thing that should be done. It was very desirable that our new
 "territory should be approached by railway, and for that purpose we would
 "be wise to use the American system of railways to the boundary. We had
 "not the means to build a railway through our own country, and it was not
 "necessary. The American railways were opened to St. Paul or beyond, and
 "he understood the intention was to extend them to the boundary of the
 "territory at Pembina. We should do all in our power to encourage their
 "rapid extension, should tell the promoters that we should endeavor to carry
 "on the line as soon as they brought it to the frontier. Whether these
 "undertakings could be most advantageously constructed by the Government
 "or by private enterprise, supplemented by public aid in some shape, was a

“ question which, perhaps, this was not the time to express an opinion upon ;
 “ but in view of the condition of our finances, the mode involving the least
 “ outlay would be the best.”

The foregoing is certainly consistent with what I said in the pamphlet.

On 3rd of April, 1871, when the resolutions providing for the admission of British Columbia were the subject of debate in the Senate, I am reported to have said :—

“ I must again refer to what I said two years ago, that our policy should be
 “ to build a railway westward from Pembina to Fort Garry, and thence west-
 “ ward to the Rocky Mountains, and to explore thoroughly the country east-
 “ ward from Fort Garry to the settled portions of Ontario.

“ If the railways of the United States are built up to the boundary of the (our)
 “ Territories, as they will be very soon, why not avail ourselves of the facilities
 “ they will afford us and thereby save large expenditures for the present ?
 “ Beginning our railway, then, westward of the frontier we can work our way
 “ easily and economically ; we can carry materials and supplies without diffi-
 “ culty ; and, furthermore, we will at once open up a country most suitable
 “ for emigrants. I do not believe any other course than this can be easily
 “ adopted under present circumstances. I do not yield to any hon. gentle-
 “ men in the desire to see an Inter-oceanic Railway through British Territory ;
 “ but we should advance prudently, using the American lines to our North-
 “ Western frontier ; build our railways westward through our prairie lands,
 “ which are so attractive to settlers ; and carefully explore the country between
 “ Fort Garry and Lake Nipissing before undertaking to build a railway
 “ through it.”

I was of opinion that a railway from the Pacific coast to connect with the railway system on the east side of the Rocky Mountains was all that the spirit of our agreement with British Columbia called for, and whether the railway passed all the way on Canadian Territory or partly on Canadian and partly on United States Territory was not important, for a time at all events. I therefore always advised that we should begin our railway at Pembina and build westward, and thus expend our limited means where they would be most reproductive—in a country which, owing to its great fertility, would be rapidly settled. The money that is being sunk in an irreclaimable wilderness between Lake Superior and the Red River would have built a railway over the prairies from Pembina and Winnipeg to the base of the Rocky Mountains.

It appears to me that there is not room for two opinions as to the region in which it would have been most expedient to have made the expenditure. The United States Railways are now completed to within a short distance of the North-Western frontier. If we had begun our railway at that point—connecting with the United States Railways when completed—every mile we built would have extended the railway system a mile further across the continent, and

afforded communication available in winter as well as summer. When the railway is completed between Lake Superior and the Red River it will only be a summer route, because it can only be approached *via* Lake Superior.

In the Session of 1872, Companies were incorporated with power to contract with the Government for the construction of the Canadian Pacific Railway, from Lake Nipissing to the Pacific Ocean. One of those Companies was the Inter-oceanic Railway Company, of which I was President. I am charged with inconsistency because while I was of opinion that our Pacific Railway should have been commenced at Pembina, I became President of a Company which had asked the Government to be allowed to tender for the construction of the Pacific Railway beginning at Lake Nipissing. I do not see where the inconsistency was.

Parliament had settled the line of the Pacific Railway, and voted subsidies in money and land for its construction. The line was determined on without communication with the Inter-oceanic Company or with me. If the Inter-oceanic Company was to tender at all, it must have been for the Parliamentary line, the only line then proposed. If the railway had been proceeded with, I have no doubt the Government—first taking security for its completion on Canadian territory—would have allowed the contracting Company to consult its own interest in determining the order in which it should proceed with the construction of the different sub-divisions of the railway; and unless the Government would have done this, I do not think any company would have undertaken the work. My opinion of what the order of construction should have been was expressed in the Senate, on the 17th April, 1873, on a motion of my own, recommending the Government to resume the land subsidy and to build the railway as a public work, beginning at Pembina and proceeding westward. I am reported to have said on that occasion:—

“Honorable gentlemen may think I was exceedingly anxious the Inter-oceanic Company should get the contract. I was not anxious on personal grounds, but I did desire that that Company should have been entrusted with the undertaking with a view to its being kept in Canadian hands. Had the Inter-oceanic Company got it, and had I had any voice in the counsels of the Company, I would have advised the Company to do what I now advise the Government to do—begin to build the railway at our north-western frontier at Pembina, extend it into our prairie country to Fort Garry and beyond. In the country I refer to the railway could be cheaply constructed, and would open the country to settlers. I would also have commenced on the Pacific coast, to keep faith with British Columbia, and while doing this I would explore the rest of the country thoroughly from Lake Nipissing to the Pacific Ocean, so as to ascertain and be able to show to capitalists what the cost of the railway would be, what its grades, and what the nature of the country covered by the land subsidy.”

I was of opinion, and am still, that we might have used for many years, with great advantage and saving to this country, the United States railways to our North-Western frontier. But when Parliament decided to have the railway built through Canadian territory, and granted subsidies in aid thereof, I became exceedingly anxious that every precaution should be taken to guard against the expenditure of any portion of the Canadian subsidies in aiding to build a railway in the United States, such as from Duluth to Sault Ste. Marie. If the people of the United States had chosen to build a railway to the Sault with their own means, I would have had no objection to their having been met there by an independent Canadian Company. But I was of opinion at the time, and am still, that the best guarantee the country could have had for the expenditure of the Canadian subsidies wholly in Canada, and for the carrying out generally of the policy of the Government and of the country, would have been to have entrusted the whole undertaking to the Inter-oceanic Company.

My own policy, if I may so call it, I early reduced into a sentence, "Begin the railway at Pembina, build westward, explore eastward." I think the *Globe* must concede that I have established my consistency in respect to this matter. I may add that, except as President of the Inter-oceanic Railway Company and on behalf of that Company, I never was, directly or indirectly, an applicant for a Pacific Railway contract. I hope Mr. Mackenzie will note this fact and the conclusion which naturally follows,—that I had no personal grievance and consequently no revenge to gratify in connection with the Canadian Pacific Railway.

The following is an extract from a speech delivered by Mr. Blake at Peterboro', on the 15th of January, 1874, and is very interesting. He said:—"It was the intention of the present Government to proceed with the construction of the Pacific Railway, but in such a way as to prevent an increased burden of taxes to the people. To this end, the road would be constructed so as to reach the great water stretches or lakes of about 1,000 miles, and then, by using the Lake of the Woods and Rainy Lake, and building portions of the road in connection with these waters, easy communication would be secured with Fort Garry; afterwards and as soon as possible, consistent with the public interests, the remainder could be constructed, and that wholly in our own territory. While these portions of the work were in construction, the people could do as they now do—use the American roads."

The above shows that Mr. Blake's views at that time were substantially in consonance with mine in respect to opening communication with our North-West. He was in favour of using the "water stretches" between Lake Superior and the Red River—of improving the Dawson Route, in fact—and until we could afford to build an all-rail line "people could do as they do now, use the American roads." It was a grievous misfortune to the public, who have to carry the "burden of taxes," that when Mr. Blake joined the Government he

allowed his sound opinions upon this question to be overborne, and consented to the building of an all-rail line from Lake Superior before it was "consistent with the public interests," and also before it was possible without imposing a seriously "increased burden of taxes upon the people."

To my former constituents, specially, I now desire before concluding to address a few words. Not content with slandering me, Mr. Mackenzie has thought proper gratuitously to slander you. At Orangeville he said, "I have no objection to Mr. Macpherson holding any sentiments he pleases; but I want him to state truthfully what he felt, and while he is talking of corruption I want him to tell us how he secured his election in the Saugeen division some years ago. I was there at the time, and I think he ought to know something about the corruption of that occasion."

Challenged thus by Mr. Mackenzie, it is due to you that I should state emphatically and unqualifiedly that I did not know and never heard of any elector having been corruptly influenced to support me, and I do not believe that one was so influenced in my favor. I observe that Mr. Mackenzie said he was in the constituency during the contest. I did not see him, and do not recollect having heard of his being there. If there was bribery and corruption then it must have been organized in the interest of my opponent, and perhaps under the direction or with the knowledge of Mr. Mackenzie. I say again what I said in my former pamphlet, "I was appointed to the Senate at Confederation in consequence of being then your representative in the Legislative Council of United Canada. I have, therefore, always felt that it was to you—to the trust you reposed in me—that I am indebted for a seat in the highest Legislative Body of the Dominion. I continue to entertain a warm regard for your welfare, and to be ever ready to do all in my power to promote your interests." I have endeavored to discharge my duty faithfully to you and to the country, and I shall continue to do so, to the best of my ability, undeterred by the slander and hate of unscrupulous and malevolent self-seekers and placemen.

I have the honor to be, Gentlemen,

Your very obedient Servant,

D. L. MACPHERSON.

TORONTO, DECEMBER, 1877.



